

PBW

*Consulting Engineers
and Scientists*

PASTOR, BEHLING & WHEELER, LLC
2201 Double Creek Dr., Suite 4004
Round Rock, TX 78664
Tel (512) 671-3434
Fax (512) 671-3446

RECEIVED

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SUPERFUND DIV.
REGIONAL BRANCH
(6SF-R)

November 2, 2010
(PBW Project No. 1597)

VIA ELECTRONIC MAIL AND OVERNIGHT DELIVERY

Mr. Gary Miller, On-Scene Coordinator
U.S. Environmental Protection Agency, Region 6
Superfund Division (6SF-AP)
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

Ms. Rita Engblom, On-Scene Coordinator
U.S. Environmental Protection Agency, Region 6
Superfund Division (6SF-AP)
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

Ms. Barbara A. Nann, Assistant Regional Counsel
U.S. Environmental Protection Agency, Region 6
Superfund Division (6RC-S)
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

Re: Notification of Contractors, Transmittal of Insurance Certificates and Policies and
Contractor Qualifications, and Notification of Sample Collection Activity, if Necessary -
Removal Action, Gulfco Marine Maintenance Site, Freeport, Texas

Dear Mr. Miller, Ms. Engblom and Ms. Nann:

Pursuant to Section VII, Paragraph 33 and Section VIII, Paragraph 40.c. of the Administrative Settlement Agreement and Order on Consent for Removal Action, effective October 29, 2010, for the above-referenced Site, Pastor, Behling & Wheeler, LLC (PBW), on behalf of LDL Coastal Limited LP (LDL), Chromalloy American Corporation (Chromalloy) and The Dow Chemical Company (Dow), herewith provides the names of the contractors and subcontractors retained to perform the work described in the Settlement Agreement and notification of sample collection activity, if such is necessary.

These contractors are:

- Pastor, Behling & Wheeler, LLC will serve as the primary contractor for the Removal Action. PBW was previously approved to work at the Site under the modified Unilateral Administrative Order (UAO), effective July 29, 2005. PBW's qualifications information was provided to EPA in a letter dated August 26, 2005.



617449

Mr. Miller, Ms. Engblom and Ms. Nann

November 2, 2010

Page 2 of 2

- Effective Environmental, Inc. (EEI) will serve as the primary tank removal subcontractor to PBW. EEI recently acquired Columbia Environmental Services, Inc. (CESI), who was the previously approved contractor for tank sampling work performed at the Site in April 2010. EEI's qualifications information is provided in Attachment A. EEI will perform the tank removal work under the Health and Safety Plan (HASP) prepared by CESI and submitted to EPA on March 30, 2010.

Both of the above firms will be conducting work at the Site, beginning on November 8, 2010. Pursuant to Section XXV, Paragraph 91, copies of these firms' insurance certificates and policies are provided herewith. Insurance certificates and policies for PBW are provided in Attachment B. Insurance certificates and policies for EEI are provided in Attachment C.

Thank you for the opportunity to submit this information. Should you have any questions, do not hesitate to contact me.

Sincerely,

PASTOR, BEHLING & WHEELER, LLC



Eric F. Pastor, P.E.
Principal Engineer

cc: Mr. Ray Merrell – Sequa Corporation
Mr. Brent Murray – Environmental Quality, Inc.
Mr. Donnie Belote - The Dow Chemical Company
Mr. Allen Daniels - LDL Coastal Limited, LP
Mr. F. William Mahley - Strasburger & Price, LLP
Mr. James C. Morriss III - Thompson & Knight, LLP
Ms. Elizabeth Webb - Thompson & Knight, LLP
Mr. Greg Blomquist – EEI
Mr. Tony Maag - EEI

ATTACHMENT A

EFFECTIVE ENVIRONMENTAL, INC. QUALIFICATIONS

EFFECTIVE ENVIRONMENTAL, INC. QUALIFICATIONS

Effective Environmental, Inc. (EEI) is a full service environmental company providing:

- Transportation
- Hazardous & Non-Hazardous Waste Management
 - Waste Recycling and Solvent Distillation
 - Document Preparation
- Field Services
 - Industrial Services
 - Remediation
 - UST/AST management and removal
- Environmental Supplies and Chemical Distribution
- Compliance and Consulting Services

EEI has completed hundreds of projects involving hazardous, non-hazardous, toxic, and radioactive sites throughout the US in accordance with CERCLA, RCRA, TSCA, NRC, and other applicable local, state and federal regulations. EEI uses a hands-on management approach that relies on managerial leadership from the front, empowered experienced project managers, and a focus on customer needs. Since its inception EEI's commitment to quality and customer service has enabled it to build long-term relationships with its clients and suppliers.

EEI's capabilities are derived from its experience as a corporation and the experience and expertise of its personnel. From hazardous material specialists to project managers, EEI's service and quality are the result of the dedication and experience of the employees who make up its team. EEI believes that performance and results are what matter and are the keys to its continued growth. In addition to offering a full range of environmental services, EEI owns and operates a full service trucking fleet equipped with HAZWOPER trained drivers, state of the art computer tracking systems, and a \$10 million dollar insurance policy.

ATTACHMENT B

**PASTOR, BEHLING & WHEELER, LLC
INSURANCE CERTIFICATE AND POLICIES**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/2/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Frenkel & Co., Inc. 350 Hudson st. New York NY 10014	CONTACT NAME:	
	PHONE (A/C, No, Ext): 212-488-0380	FAX (A/C, No): 212-488-1802
INSURED Pastor, Behling & Wheeler, LLC 2201 Double Creek Drive, Suite Round Rock TX 78664	E-MAIL ADDRESS:	
	PRODUCER CUSTOMER ID #:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A: Endurance American Specialty Insura	
	INSURER B: Hartford Casualty Insurance Company 1	
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 2021894783

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contr. Poll. Liab GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	Y	Y	101006203-01	3/18/2010	3/18/2011	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$50,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	Y		13UECAF6460	3/18/2010	3/18/2011	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$10,000	Y		101006250-01	3/18/2010	3/18/2011	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	10WECNV1414	3/18/2010	3/18/2011	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional Liability	N		101006203-01	3/18/2010	3/18/2011	Each Claim \$1,000,000 Each Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Sequa Corporation, the United States Environmental Protection Agency, and client and its employees, officers, directors, agents, partners, successors, and assigns are added as additional insured on a Primary and Non-Contributory basis with the exception of Professional Liability and Workers Compensation See Attached...

CERTIFICATE HOLDER**CANCELLATION**

Sequa Corporation
Attn: Brent Murray
212 US Highway 1, Suite 18
Tequesta FL 33469

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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AGENCY CUSTOMER ID: _____

LOC #: _____

**ADDITIONAL REMARKS SCHEDULE**Page 1 of 1

AGENCY Frenkel & Co., Inc.		NAMED INSURED Pastor, Behling & Wheeler, LLC 2201 Double Creek Drive, Suite Round Rock TX 78664	
POLICY NUMBER			
CARRIER	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,****FORM NUMBER:** 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

but only as respects all covered operations of the Named Insured. Client shall not be subject to the "other insurance" condition or other policy terms which conflict with this Agreement, it being the intent that the insurance policies of Consultant and its agents, affiliates shall be primary insurance and not contributory with any other insurance that Client may have in effect with the exception of Workers Compensation and Professional Liability. All insurance policies shall provide, as evidenced by Certificate of Insurance, that the insurance provided shall not be cancelled, reduced, restricted or changed in any way without at least thirty (30) days prior written notice
Re: 906 Marlin Ave Freeport, TX



Common Policy Declarations

Endurance American Specialty Insurance Company

Policy Number: ECC101006203-01
Renewal Of: ECC101006203-00

Named Insured

Pastor, Behling & Wheeler, LLC
2201 Doublecreek Drive, #4004
Round Rock, TX 78664

Program Administrator

Freberg Environmental, Inc.
1451 Larimer Street, Suite 200
Denver, Colorado 80202

Policy Period

From: 3/18/2010

To: 3/18/2011

At 12:01 am Standard Time at your mailing address shown above

In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following Coverage Parts as indicated:	Premium
Commercial General Liability Coverage	Included
Contractors Pollution Liability Coverage	Included
Professional Liability Coverage	Included
Environmental Impairment Liability Coverage	Not Covered
Storage Tank Environmental Impairment Liability Coverage	Not Covered
Total Coverage Part Premium	██████
Terrorism Coverage	Not Covered
Total Premium	██████
State Fee	Not Applicable

FORMS APPLICABLE TO ALL COVERAGE PARTS: See FEI-451-ECC-0708 Schedule of Forms and Endorsements and attached State specific Surplus Lines Warning.

These declarations together with the common policy conditions, coverage part declarations, coverage part coverage forms(s) and forms and endorsements, if any, issued to form a part thereof, complete the above numbered policy.

By: Authorized Representative

Issue Date: 4/12/2010



Coverage Part Declarations

Policy Number: ECC101006203-01

Coverage Parts Attached (indicated with "X"):

Coverage Part		Policy Type
X	Commercial General Liability	Occurrence Form
X	Contractors Pollution Liability	Occurrence Form
X	Professional Liability	Claims Made Form

Limits of Insurance:

Regardless of the number of Coverage Parts written under this policy or applicable to any one *Occurrence, Claim, Wrongful Act or Pollution Condition*, the Limits of Insurance shown below apply once for the entire policy, and not separately for each Coverage Part.

Applicable to Contractors Pollution Liability Coverage Part:

\$1,000,000	Damages Limit for Each Occurrence, Claim or Pollution Condition
\$2,000,000	General Aggregate Limit
\$1,000,000	Claims Expense Limit for Each Claim
\$2,000,000	Claims Expense Aggregate Limit

Applicable to Professional Liability Coverage Part:

\$1,000,000	Damages Limit for Each Occurrence, Wrongful Act or Claim
\$2,000,000	General Aggregate Limit
\$1,000,000	Claims Expense Limit for Each Claim
\$2,000,000	Claims Expense Aggregate Limit

Applicable to Commercial General Liability Coverage Part:

\$2,000,000	General Aggregate Limit (Other Than Products-Completed Operations)
\$2,000,000	Products-Completed Operations Aggregate Limit
\$1,000,000	Personal and Advertising Injury Limit
\$1,000,000	Damages Limit for Each Occurrence or Claim
\$50,000	Fire Damage Limit (Any one Fire)
\$5,000	Medical Expense Limit (Any One Person)

Deductible:

Coverage	Amount	Type
Commercial General Liability	\$50,000	See FEI-317-ECC-0708 if CGL coverage applies per pollution condition per wrongful act
Contractors Pollution Liability	\$50,000	
Professional Liability	\$50,000	

Retroactive Dates:

Coverage	Retroactive Date
Commercial General Liability	Not Applicable
Contractors Pollution Liability	Not Applicable
Professional Liability	3/18/2002

Premium Schedule:

Estimated Annual Gross Receipts: [REDACTED]	Rate: Flat
Policy Period Minimum Earned Premium: [REDACTED]	Minimum & Deposit Premium: [REDACTED]

Form of Business:

Corporation	Joint Venture	Individual	Partnership	X LLC	Other
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Schedule of Forms and Endorsements

Policy Number: ECC101006203-01

SCHEDULE

The following forms and endorsements are made part of this policy:

FEI-309-ECC-0708	Common Policy Declarations Page
FEI-310-ECC-0708	Coverage Part Declarations Page
FEI-451-ECC-0708	Schedule of Forms and Endorsements
IL 1006 0309	ECC Signature Page
CG 00 01 12 04	Commercial General Liability Coverage - Occurrence Form
FEI-311-ECC-0708	Contractors Pollution Liability Form Occurrence
FEI-313-ECC-0708	Professional Liability Form Claims Made
FEI-315-ECC-0708	Common Policy Conditions
FEI-316-ECC-0708	Nuclear Energy Liability Exclusion
FEI-317-ECC-0708	Deductible Liability Insurance Endorsement
FEI-318-ECC-0708	Extended Reporting Period Endorsement
FEI-319-ECC-0708	Automatic Additional Insured Owners, Lessees, or Contractors
FEI-320-ECC-0708	Automatic Waiver of Subrogation
FEI-321-ECC-0708	Specified Professional Services Endorsement.
FEI-322-ECC-0708	Claims Notice Document
FEI-327-ECC-0708	Minimum Earned Premium Endorsement
FEI-405-ECC-0708	Transportation at Jobsite Endorsement
CG 22 43 01 96	Exclusion - Engineers, Architects or Surveyors
PN-0001 00107	OFAC
FEI-548-ECC-0708	Blanket Primary and Non-Contributory Endorsement
FEI-522P-ECC-0708	Amendment of Limits Endorsement Project-Specific
EXL 1201 0108	Exclusion of Certified Acts of Terrorism and Other Acts of Terrorism
EXL 1311 0108	TRIA Rejection of Offer
EXL 1205 0108	Exclusion of Certified Acts of Terrorism
FEI-574-ECC-0809	Media & Technology Endorsement
CG 20 37 07 04	Additional Insured - Owners Lessees or Contractors - Completed Op's
CG 24 17 10 01	Contractual Liability - Railroads
FEI-326-ECC-0708	Service of Suit
FEI-554-ECC-0708	Texas Notice
Texas Notice - 2	Texas 2 State Surplus Lines Notice Attachment
Texas Notice	Texas State Surplus Lines Notice Attachment



Pastor, Behling & Wheeler, LLC

Signature Page

Policy Number: ECC101006203-01

IN WITNESS WHEREOF, we have caused this Policy to be signed by our President and Secretary and countersigned where required by law on the Declarations page by our duly Authorized representative.

A handwritten signature in cursive script that reads "Andrew J. Noze".

Secretary

A handwritten signature in cursive script that reads "John R. Zachary".

President



Commercial General Liability Coverage Form

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive

notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in

an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation and Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the

intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or

"property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage to Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement,

- enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
 - (3) Property loaned to you;
 - (4) Personal property in the care, custody or control of the insured;
 - (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
 - (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal and Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III** – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and
 - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

- a. **Knowing Violation of Rights of Another**
"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".
- b. **Material Published With Knowledge of Falsity**
"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.
- c. **Material Published Prior to Policy Period**
"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- d. **Criminal Acts**
"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.
- e. **Contractual Liability**
"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- f. **Breach of Contract**
"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".
- g. **Quality or Performance of Goods – Failure to Conform to Statements**
"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".
- h. **Wrong Description of Prices**
"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".
- i. **Infringement of Copyright, Patent, Trademark or Trade Secret**
"Personal and advertising injury" arising out of the infringement of copyright,

patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds in Media and Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use of Another's Name or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

COVERAGE C MEDICAL PAYMENTS**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury on Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation and Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation

or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All costs taxed against the insured in the "suit".
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.These payments will not reduce the limits of insurance.
2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

 - a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
 - b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
- 2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event of Occurrence, Offense, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
 - d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- 3. Legal Action Against Us**
- No person or organization has a right under this Coverage Part:
- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - b. To sue us on this Coverage Part unless all of its terms have been fully complied with.
- A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.
- 4. Other Insurance**
- If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:
- a. **Primary Insurance**
This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.
 - b. **Excess Insurance**
This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 2. "Auto" means:
 - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement; if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your

work"; or

b. Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
16. "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but

which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
For the purposes of this insurance, electronic data is not tangible property.
As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold,

handled, distributed or disposed of by:

- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.

Contractors Pollution Liability Policy

The insurance company shown in the Declarations (hereinafter "the Company") in consideration of the payment of the premium and the undertaking of the *named insured* to pay the Deductible described hereunder, in reliance upon all representations and warranties contained in the application attached hereto and made a part of this Policy, including any addendum or addenda thereto, and subject to all provisions of this Policy subsequently set forth, agrees with the *named insured* as follows:

I. INSURING AGREEMENTS

A. COVERAGE AND DEFENSE

The Company shall pay on behalf of the *insured* those *damages* for *bodily injury* or *property damage* in excess of the Deductible that the *insured* becomes legally obligated to pay:

1. If the *damages* result from a *pollution condition* at any site where any *insured* or any independent contractor working on behalf of any *insured*, is performing, or has performed, any contracting or remediation operations anywhere in the world; and
2. If the *pollution condition* is first incurred during the *policy period* of this Policy.
3. If on or prior to the effective date of this Policy, no *insured* had any knowledge of any circumstances which could reasonably be expected to give rise to a *claim*; and
4. If the *pollution condition* was unexpected and unintended from the standpoint of the *insured*.

The Company will pay all *claims expenses* in excess of the Deductible for all *claims* covered under the terms of this Policy.

The Company shall have both the right and duty to provide for the defense of the *insured* with respect to a *claim* made against the *insured* in the United States of America, its territories or possessions, or Canada, falling under the purview of all of the foregoing requirements. The Company shall also have the exclusive right to investigate such *claim*, to designate and appoint all legal counsel to defend the *insured* and to otherwise control the defense thereof.

If a *claim* is made against any *insured* such as is described in the immediate foregoing, other than in the United States of America, its territories or possessions, or Canada, the Company shall have the right, but not the duty, to provide for the defense of such *claim*. If the Company elects not to provide for the defense of such *claim*, the *named insured*, under the supervision of the Company, shall have the duty to make or cause to be made such investigation and defense as are necessary and, subject to prior authorization by the Company, effectuate settlement. In such eventuality, the Company shall indemnify the *named insured* for *claims expenses* incurred and *damages* and supplementary payments paid in excess of the Deductible.

The Company shall have the exclusive right hereunder to negotiate and effectuate the settlement of all *claims*, as it deems expedient, whether under or in excess of the Deductible, but it shall not commit the *named insured* to any settlement without the *named insured's* consent. If, however, the *named insured* refuses to consent to a settlement recommended by the Company and elects to contest such *claim* or continue legal proceedings in connection therewith, the Company's liability shall be limited to the sum of the amount for which the *claim* could have been settled and all *claims expense* incurred up to the time of such refusal, which is in excess of the Deductible.

The Company's duty to provide for the defense of any *insured*, to pay *damages* on behalf of any *insured*, or to make any payment pursuant to Section I.B., Supplementary Coverages and Payments, shall immediately terminate

1. if the Limits of Insurance of this Policy become exhausted by payment of *damages* or *claims expenses*; or
2. if the *named insured* fails to fulfill its Deductible obligation as imposed by Section IV. Deductible; or
3. if the application attached hereto and made a part of this Policy, including any addendum or addenda thereto, contains any material misrepresentation of fact.

B. SUPPLEMENTARY COVERAGES AND PAYMENTS

With respect to such insurance as is afforded by this Policy, the Company shall pay, in addition to the applicable limit of liability, all of the following:

1. All premiums on bonds to release attachments and appeal bonds, limited to that portion of such bond that does not exceed the limit of liability of this Policy but without any obligation of any kind upon the Company to apply for, secure, or furnish any such bonds.
2. Pre-judgment interest and post judgment interest on the full amount of any judgment that accrues after entry of the judgment and before the Company has paid, offered to pay, or deposited in court the part of the judgment that is covered and within the applicable Per *Claim* or Aggregate Limit of Liability. However, the maximum amount of pre-judgment or post judgment interest the Company will pay under this Policy will be the portion of pre-judgment or post judgment interest accrued on *damages* covered by this Policy.
3. All reasonable expenses incurred by any *insured* at the Company's request in assisting the Company in the investigation and defense of any *claim*, other than loss of earnings, salaries or other compensation paid to the *named insured's* officers or employees, except as provided in Paragraph 5., below.
4. All costs assessed against any *insured* in any suit covered under this Policy.
5. Defendant's Reimbursement - The Company will pay an amount of \$500 to each *insured* for each day or part of a day that any *insured* attends as a witness at any trial, deposition, or interrogatory at which the Company has requested the *insured's* attendance, or when such attendance is required by the court. This payment shall only apply to appearances involving *claims* against an *insured*. The maximum amount payable for all such appearances made during the *policy period*, shall not exceed \$5,000 as a total aggregate, regardless of how many appearances are actually made during the *policy period*, or how many different *insureds* make appearances, and regardless of any other fact, circumstance, or situation.
6. Coverage for fines or penalties - The Company will reimburse the *named insured* for the amount of any fine or penalty which is levied against any *insured*, and is paid by the *insured* during the *policy period*, by the Environmental Protection Agency, any state or local environmental regulatory agency, or any other governmental official or regulatory agency, or any court. The maximum total amount the Company will pay for reimbursement for all fines or penalties combined which are levied and paid during the *policy period* will be \$50,000, regardless of the actual number of fines or penalties levied or paid, or the actual amount of any fine, and regardless of any other fact or circumstance. Reimbursement shall not be

available whenever the applicable law provides that a particular fine or penalty is uninsurable as a matter of law.

For Supplementary Coverages numbers 7., 8., 9., and 10., below, it is agreed that any and all payments made for any of these shall be included within, and shall not be in addition to, the applicable limit of liability.

7. Automatic coverage for newly formed or acquired entities - The coverage provided under this Policy shall apply on behalf of any entity which is newly formed or newly acquired by the *named insured* subsequent to the inception date of the *policy period*. Coverage shall be provided only to those newly formed or newly acquired entities for which, as of the date of formation or acquisition, the *named insured* directly owns fifty percent (50%) or more of the outstanding stock or other equity or ownership interest.

It is agreed that there shall only be coverage for those *claims* that arise from *pollution conditions* which arise subsequent to the date of formation or acquisition. The *named insured* agrees to advise the Company of any newly formed or acquired entity within ninety (90) days of the date of formation or acquisition. The *named insured* agrees to accept any coverage terms or reasonable additional premium which the Company may require, relative to the newly formed or acquired entity.

8. Coverage for indemnification of clients- Whenever any written contract or written job specifications provide that the *named insured* shall indemnify the client for, or hold the client harmless or free from, any *damages* or *claims expense* which are due to a *pollution condition* which arises out of the *named insured's* operations, the Company will pay on behalf of the *named insured* those *damages* or *claims expense* that must be paid to indemnify the client.
9. Vicarious liability coverage - The coverage provided under this Policy shall apply on behalf of all *insureds* for *pollution conditions* arising out of operations performed by any entity or individual for whom any *insured* is legally liable, as long as the operations were performed on or after the effective date shown on the Policy Declarations Page or on an endorsement to the Policy, but prior to the end of the *policy period*.
10. Response costs coverage - In accordance with, and in support of, the duties of the *named insured* to mitigate *damages*, as described in Section VI., Conditions, Paragraph G., Mitigation, the Company will reimburse the *named insured* for all costs expended by the *named insured* in fulfilling the *named insured's* duties of mitigation, subject to the following limitations:
 - a. The only costs that will be reimbursed by the Company are those costs that are expended by the *named insured* in efforts to abate, stop, prevent, or reduce the *damages* emanating from a *pollution condition* caused directly or indirectly by any *insured*.

- b. The only costs that will be reimbursed by the Company are those costs that are expended by the *named insured* on or after the date that the *named insured* first becomes aware of the *pollution condition* until that date that the *named insured* first has a reasonable opportunity to report the incident, circumstances, or *claim* to the Company.
- c. Nothing in this provision shall in any way alter, modify, or change the duty of the *named insured* to give notice of *claims* to the Company pursuant to Section VI., Conditions, Paragraph A., Notice of *Claim*."

II. DEFINITIONS

Words and phrases in italics in this Policy have the following special meaning.

Bodily Injury	The term <i>Bodily injury</i> means, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom caused by a <i>pollution condition</i> arising out of the performance by any <i>insured</i> of operations covered by this policy.
Claim	The term <i>claim</i> means an oral or written notice to the <i>named insured</i> from any party intending to hold any <i>insured</i> responsible for <i>damages</i> arising out of a <i>pollution condition</i> .
Claim Expenses	The term <i>claim expenses</i> shall mean all costs, charges and expenses resulting from the adjustment, appraisal, investigation, defense, settlement, arbitration or appeal of any <i>claim</i> covered by the terms and conditions of this Policy if such costs, charges and expenses are incurred by the Company, an attorney designated by the Company, or by any <i>insured</i> with the written consent of the Company; except that it shall not include the costs of investigating or administering any <i>claim</i> by employees of the Company or loss of earnings incurred by any <i>insured</i> in investigating, defending, settling, arbitrating or appealing any <i>claim</i> at the Company's direction, except as provided in Section I.B., Supplementary Coverages and Payments, Paragraph 5., Defendant's Reimbursement.
Damages	<p>The term <i>damages</i> shall mean a judgment, award or settlement monetarily compensating a claimant for a <i>claim</i> covered by the terms and conditions of this policy, and shall include <i>damages</i> based upon emotional distress. <i>Damages</i> also includes any loss due to diminution in value or loss of use of land, property, or buildings. <i>Damages</i> does not include any of the following:</p> <ol style="list-style-type: none">1. Any administrative, civil or criminal fines, sanctions, taxes, or penalties, whether pursuant to law or statute, except to the extent coverage for

reimbursement for fines or penalties is provided under Section I.B., Supplementary Coverages and Payments, Paragraph 6, Coverage for fines or penalties;

2. Restitution, reduction, disgorgement, set off, return, or payment of any form of any consulting fees or payments, or any other costs, expenses or charges;
3. Any loss of income or revenue to the *named insured*, regardless of the cause or reason for the loss of income or revenue, except as provided in Section I.B., Supplementary Coverages and Payments, Paragraph 5., Defendant's reimbursement;
4. Any form of non-monetary judgments or relief, including, but not limited to, specific performance or any injunctive relief of any kind;
5. Any amount of any civil judgment which is, or represents, any multiple of any kind of damage award, including, but not limited to, the two-thirds portion of any award of treble *damages*.

Insured

The term *Insured* means:

1. The *named insured*; and
2. A director or officer of the *named insured*, but only while acting in their respective capacity as such; and
3. An employee of the *named insured*, but only with respect to services performed or failed to have been performed on behalf of the *named insured* in the employee's capacity as such; and
4. A former director, officer or employee of the *named insured*, but only with respect to services performed or failed to have been performed on behalf of the *named insured* prior to the termination of that respective capacity; and
5. The current spouse of any current owner, director or officer of the *named insured*; and
6. The heirs, executors, administrators, and legal representatives of each *insured* in the event of death, incapacity or bankruptcy, but solely with respect to the liability of each *insured* as otherwise covered by this Policy; and
7. A limited liability company, if the *named insured* or any other *insured* exists as such, along with all past and present members of any such limited liability company, but only with respect to *professional services* performed or failed to have been performed on behalf of the *named insured*.

No person or organization is an *insured* with respect to the conduct of any current or past partnership or joint venture that is not shown as a *named insured* in the Declarations.

Named Insured	The term <i>named insured</i> shall mean the proprietor, partners or organization specified in the Declarations.
Policy Period	The term <i>policy period</i> means the period set forth in the Declarations, or any shorter period arising as a result of cancellation.
Policy Year	The term <i>policy year</i> means the separate annual year period whenever the <i>policy period</i> set forth in the Declarations is either for a two or three year time period.
Pollution Condition	The term <i>pollution condition</i> means the discharge, dispersal, release or escape of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water which results in bodily injury or <i>property damage</i> . A continuous, related, repeated, or similar series of discharges, dispersals, releases, or escapes of pollutants at or from a site shall constitute a single <i>pollution condition</i> .

Related *pollution conditions* are those *pollution conditions* that arise out of , are based on, relate to or are in consequence of, the same facts, circumstances or situations.

Property Damage	<p>The Term <i>property damage</i> means:</p> <ol style="list-style-type: none">1. Physical injury to or destruction of tangible property including the resulting loss of use thereof; and2. Costs expended by the <i>named insured</i> to evaluate, investigate, clean up, remediate or monitor any environmentally contaminated site.3. Loss of use of tangible property that has not been physically injured or destroyed; provided that such physical injury or destruction, clean up costs and/or loss of use are caused by a <i>pollution condition</i> arising out of the performance by the <i>named insured</i> of operations insured by this policy.
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Waste	The term <i>waste</i> means any discarded materials of any kind, including those materials to be recycled, reconditioned, reclaimed, or disposed of.
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III. LIMITS OF INSURANCE

A. MAXIMUM LIMITS OF LIABILITY

The Company's maximum Limit of Liability hereunder shall not exceed the separate limits of liability for *damages* and *claims expenses* specified in the Declarations, irrespective of the following:

1. The number of *claims* made; or
2. The number of persons or organizations making *claims*; or
3. The number of persons covered hereunder; or
4. The number of *pollution conditions* which arise; or
5. The types of *damages* awarded.

B. SEPARATE AND SPECIFIC LIMITS OF LIABILITY

As specified in the Declarations:

1. The "*Damages Limit for Each Claim*" amount shown in the Declarations is the maximum amount the Company will pay under all Coverage Parts combined that form a part of this Policy for *damages* that arise out of any one *claim*;
2. The "*General Aggregate Limit for Damages (Other than Products-Completed Operations)*" amount shown in the Declarations is the maximum amount the Company will pay under all Coverage Parts combined that form a part of this Policy, for all *damages* arising from covered *claims* (other than those included in the products-completed operations hazard);
3. The "*Claims Expense Limit for Each Claim*" amount shown in the Declarations is the maximum amount the Company will pay for all *claims expenses* that arise out of any one *claim* that is covered under either or both of the Contractors Pollution Liability and/or the Professional Liability Coverage Parts;
4. The "*Claims Expense Aggregate Limit*" amount shown in the Declarations is the maximum amount the Company will pay for all *claims expenses* that arise from covered *claims* that are covered under either or both of the Contractors Pollution Liability and/or the Professional Liability Coverage Parts.

The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the *policy period* shown in the Declarations, unless the *policy period* is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

If this Policy and any other Policy providing coverage by the Company or any affiliate company apply to the same *pollution condition* or series of related *pollution conditions*, the aggregate maximum Limit of Liability payable under all of the policies combined shall be limited to the amount of the highest applicable Limit of Liability payable under any one of the policies. Related *pollution*

conditions are those *pollution conditions* that arise out of, are based on, relate to or are in consequence of, the same facts, circumstances or situations.

The Limits of Insurance shown in the Declarations shall apply in excess of the Deductible amount shown in the Declarations.

IV. DEDUCTIBLE

As respects each *claim* first made against the *insured*, the *named insured* shall be responsible for payment for that amount of *damages* or *claims expenses* indicated in the Declarations as the Deductible amount. The Company shall not be responsible to make any payments for either *damages* or *claims expenses*, or any coverage or payment provided pursuant to Section I.B., Supplementary Coverages and Payments, unless and until the full amount of the Deductible has been paid by the *named insured*.

Should the Company, for any reason, pay the entire amount of *damages*, *claims expenses* or supplementary payments without regard to the Deductible amount, the *insured* will reimburse the Company, within 30 days of the Company's request for such reimbursement, for that part of the Deductible Amount which has been paid.

V. EXCLUSIONS

The Company shall have no obligation whatsoever under this Policy to make any payment of any kind for either *damages*, *claims expenses*, or any coverage or payment provided pursuant to Section I.B., Supplementary Coverages and Payments, or to arrange for, provide, or pay, for any defense, for:

- A. Any *claim* by any past or present *insured* against any *insured*; however, this exclusion does not apply to additional insureds under this policy; or
- B. Any *claim* made by or on behalf of any business enterprise not shown on the Declarations:
 - 1. Which is, was, or will be owned in whole or in part by any past or present insured; or
 - 2. Which owned in whole or in part at any time the *named insured*; or
- C. Any *claim* arising from any *insured's* intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint

or notice of violation, notice letter, executive order, or instruction of a governmental agency or body; or

- D. Any *claim* arising from an illegal, dishonest, fraudulent, criminal, or malicious act by any *insured*; or
- E. Any *claim* which arises from, or is related to, any collision or accident involving an automobile, truck, boat, watercraft, airplane, helicopter, or other aircraft or vehicle of any kind or type; or
- F. Any *claim* arising from any of the following relative to a contract any *insured* has entered into with a client:
 - 1. Any assumption of the client's sole negligence or legal liability by; or
 - 2. Any failure by any *insured* to perform or provide a good or service by a date stipulated in a contract with a client; or
 - 3. Any liquidated or stipulated *damages* under a contract with a client of any *insured*, unless the same type of *damages* would attach without the existence of the contract; or
- G. Any obligation of any *insured* under workers compensation, disability benefits, unemployment compensation, employee benefits, pension sharing, ERISA law or any similar law; or
- H. Any *claim* for wrongful termination, discrimination or any unfair employment practices; or
- I. Any *claim* arising out of any *waste* or other kind of products or materials transported, shipped or delivered via any automobile, aircraft, watercraft, or rolling stock to any location located beyond the boundaries of a site at which any *insured* has performed any contracting or site remediation services.
- J. Any *claim* for any *property damage* to any real or personal property that was owned in whole or in part, or was rented, occupied or in the care, custody or control of any *insured* at any time.

VI. CONDITIONS

A. NOTICE OF CLAIM

In the event of a *claim*, or any *insured's* knowledge of circumstances which could reasonably be expected to give rise to a *claim*, the *named insured* shall have the duty to provide written notice to the Company as soon as practicable.

This written notice shall be given whether or not the *named insured* believes that the *claim*, or incident giving rise to the *insured's* knowledge, will result in a demand that falls under, or in excess of, the Deductible.

Written notice shall be given to the insurance company shown in the Declarations, in care of:

Senior Vice President - Claims
Endurance American Specialty Insurance Company
C/O Endurance Specialty Insurance Marketing Corporation
725 South Figueroa Street, Suite 2100
Los Angeles, California 90017

Telephone: (213) 270-7017

Fax: (213) 270-7800

E-Mail addressed to: Eclaims@enhinsurance.com

Such written notice must contain complete details, including, but not limited to, the exact date the *claim* was made, location, circumstances giving rise to such *claim*, the name of all claimants and a full description of the nature and scope of the allegations. These duties of the *insured* hereunder shall be non-delegable.

B. COOPERATION AND ASSISTANCE OF THE *INSURED*

Each *insured* shall have the duty to fully cooperate with and assist the Company, with respect to the investigation, defense, settlement, arbitration or appeal of any *claim*. No *insured* shall be indemnified hereunder for loss of earnings incurred in such cooperation or assistance, except as provided in Section I.B., Supplementary Coverages and Payments, Paragraph 5., Defendant's Reimbursement, nor shall such loss of earnings apply towards the satisfaction of the Deductible.

C. ACTIONS PREJUDICIAL TO THE COMPANY

In the event of a *claim*, no *insured* shall undertake any of the following actions, without the Company's prior, written consent:

1. Engage counsel to provide legal representation; or
2. Assume any obligation, other than the reasonable efforts required to satisfy the duty to mitigate *damages* as provided in Section VI., Conditions, Paragraph G., Mitigation; or
3. Forgive, reduce in amount or otherwise compromise any compensation owed or allegedly owed the *named insured*; or
4. Admit, or in any manner acknowledge liability; or
5. Effectuate or attempt to effectuate settlement, including, but not limited to, entering into a consent decree involving the assignment of the *insured's* interest under this Policy.

Any of the foregoing actions by the *insured* shall be deemed to materially prejudice the Company's rights.

D. SUBROGATION

If the Company pays an amount hereunder as *damages*, *claims expense*, or as any payment under Section I.B., Supplementary Coverages and Payments, or any combination thereof, it shall be subrogated to all of each *insured's* rights of recovery against any person, firm or organization. All *insureds* shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. No *insured* shall waive or prejudice such rights either prior or subsequent to any *claim*.

E. ACCEPTANCE

By acceptance of this Policy, the *named insured* hereby confirms that all provisions hereof, including all endorsements and the application attached hereto and made a part of this Policy, embody all agreements existing between the *named insured* and the Company and supersede any prior agreements, whether expressed or implied.

F. MITIGATION

The *named insured* shall make all reasonable efforts to abate, stop, prevent, or reduce the *damages* emanating from any *pollution condition* resulting directly or indirectly from any operations performed by any *insured*. It is agreed that these efforts shall commence immediately upon discovery or notice of the *pollution condition* by any *insured*. These efforts must include mitigating, alleviating or otherwise limiting the *damages* which could result from the *pollution condition*. Such efforts must be undertaken even in the absence of a *claim*.

G. NO ACTION AGAINST COMPANY

No action shall lie against the Company unless, as a condition precedent thereto, each *insured* has fully complied with all the provisions of the Policy, or until the amount of the *named insured's* obligation to pay has been finally determined either by written agreement of the *named insured*, the claimant and the Company or by final judgment against the *named insured* after the actual trial of the issues and the period of time to appeal has elapsed without an appeal having been taken or, if an appeal has been taken, then until after such appeal has been determined.

H. AUDIT

The Company shall have the right to examine or audit all financial records of the *named insured*, for the purpose of ascertaining the accuracy of the income or revenue stated in the application.

I. NONRENEWAL

The Company may non-renew this policy by mailing or delivering to the *named insured* at the address stated on the Declarations Page written notice of nonrenewal at least thirty (30) days before the expiration date of this policy. The Company shall have the right to offer renewal policy terms, conditions, or premium amounts different than those in effect prior to renewal, this does not constitute non-renewal.

J. APPLICATION IS INCORPORATED INTO, AND IS PART OF POLICY

The *named insured* acknowledges and agrees that:

1. The warranties and representations contained in the Application for this Policy are true, correct and complete; and
2. The Company issued this Policy in specific reliance upon the representations contained in the Application; and
3. The Application is incorporated into, and is part of, this Policy.

K. OTHER INSURANCE

If any part of either *damages* or *claims expenses* is insured under this Policy and any other current, prior or subsequent Policy, this Policy shall provide coverage for such *damages* or *claims expenses* on a pro rata basis with such other Policy according to the applicable Limits of Liability of this Policy and such other Policy.

L. SEPARATION OF INSURED

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first *Named Insured*, this insurance applies:

1. As if each *Named Insured* were the only *Named Insured*; and
2. Separately to each *insured* against whom *claim* is made or *suit* is brought.

Professional Liability Policy – Claims Made

The insurance company shown in the Declarations (hereinafter "the Company") in consideration of the payment of the premium and the undertaking of the *named insured* to pay the Deductible described hereunder, in reliance upon all representations and warranties contained in the application attached hereto and made a part of this policy, including any addendum or addenda thereto, and subject to all provisions of this policy subsequently set forth, agrees with the *named insured* as follows:

I. INSURING AGREEMENTS

A. COVERAGE AND DEFENSE

The Company shall pay on behalf of the *insured* those *damages* in excess of the Deductible that the *insured* becomes legally obligated to pay to others, but only:

1. If such *damages* result from a *wrongful act* committed by any *insured* in performing or failing to perform *professional services* anywhere in the world; and
2. If the *insured* committed the *wrongful act* on or after the retroactive date specified in the Declarations and prior to the end of this *policy period*; and
3. If *claim* for such *damages* is first made against the *insured* during this *policy period*, or any applicable extended reporting period; and
4. If such *claim* is reported in writing directly to the Company and such reporting is received by the Company as soon as practicable, but not later than sixty (60) days immediately subsequent to the end of this *policy period*; and
5. If on the effective date of this policy, no *insured* had knowledge of any circumstances which could reasonably be expected to give rise to a *claim*.

The Company will pay all *claims expenses* in excess of the Deductible for all *claims* covered under the terms of this policy. The Company shall have both the right and duty to provide for the defense of the *insured* with respect to a *claim* made against any *insured* in the United States of America, its territories or possessions, or Canada, falling under the purview of all of the foregoing requirements. The Company shall also have the exclusive right to investigate such *claim*, to designate and appoint all legal counsel to defend the *insured* and to otherwise control the defense thereof.

If a *claim* is made against any *insured* such as is described in the immediate foregoing, other than in the United States of America, its territories or

possessions, or Canada, the Company shall have the right, but not the duty, to provide for the defense of such *claim*. If the Company elects not to provide for the defense of such *claim*, the *named insured*, under the supervision of the Company, shall have the duty to make or cause to be made such investigation and defense as are necessary and, subject to prior authorization by the Company, effectuate settlement. In such eventuality, the Company shall indemnify the *named insured* for *claims expenses* incurred and *damages* and supplementary payments paid in excess of the Deductible.

The Company shall have the exclusive right hereunder to negotiate and effectuate the settlement of all *claims*, as it deems expedient, whether under or in excess of the Deductible, but it shall not commit the *named insured* to any settlement without the *named insured's* consent. If, however, the *named insured* refuses to consent to a settlement recommended by the Company and elects to contest such *claim* or continue legal proceedings in connection therewith, the Company's liability shall be limited to the sum of the amount for which the *claim* could have been settled and all *claims expenses* incurred up to the time of such refusal, which is in excess of the Deductible.

The Company's duty to provide for the defense of any *insured*, to pay *damages* on behalf of any *insured*, or to make any payment pursuant to Section I.B., Supplementary Coverages and Payments, shall immediately terminate:

1. If the Limits of Insurance of this policy become exhausted by payment of *damages* or *claims expenses*; or
2. If the *named insured* fails to fulfil its Deductible obligation as imposed by Section IV. Deductible; or
3. If the application attached hereto and made a part of this policy, including any addendum or addenda thereto, contains any material misrepresentation of fact.

B. SUPPLEMENTARY COVERAGES AND PAYMENTS

With respect to such insurance as is afforded by this policy, the Company shall pay, in addition to the applicable limit of liability, all of the following:

1. All premiums on bonds to release attachments and appeal bonds, limited to that portion of such bond that does not exceed the limit of liability of this policy but without any obligation of any kind upon the Company to apply for, secure, or furnish any such bonds.
2. Pre-judgment interest and post judgment interest on the full amount of any judgment that accrues after entry of the judgment and before the Company has paid, offered to pay, or deposited in court the part of the judgment that is covered and within the applicable Per Claim or Aggregate Limit of Liability. However, the maximum amount of pre-judgment or post judgment interest

the Company will pay under this policy will be the portion of pre-judgment or post judgment interest accrued on *damages* covered by this policy.

3. All reasonable expenses incurred by any *insured* at the Company's request in assisting the Company in the investigation and defense of any *claim*, other than loss of earnings, salaries or other compensation paid to the *named insured's* officers or employees, except as provided in Paragraph 5, below.
4. All costs assessed against any *insured* in any suit covered under this policy.
5. Defendant's reimbursement - The Company will pay an amount of \$500 to each *insured* for each day or part of a day that any *insured* attends as a witness at any trial, deposition, or interrogatory at which the Company has requested any *insured's* attendance, or when such attendance is required by the court. This payment shall only apply to appearances involving *claims* against an *insured*. The maximum amount payable for all such appearances made during the *policy period* shall not exceed \$5,000 as a total aggregate, regardless of how many appearances are actually made during the *policy period*, or how many different *insureds* make appearances, and regardless of any other fact, circumstance, or situation.
6. Coverage for fines or penalties - The Company will reimburse the *named insured* for the amount of any fine or penalty which is levied against any *insured*, and is paid by the *insured* during the *policy period*, by the Environmental Protection Agency, any state or local environmental regulatory agency, or any other governmental official or regulatory agency, or any court. The maximum total amount the Company will pay for reimbursement for all fines or penalties combined which are levied and paid during the *policy period* will be \$50,000, regardless of the actual number of fines or penalties levied or paid, or the actual amount of any fine, and regardless of any other fact or circumstance. Reimbursement shall not be available whenever the applicable law provides that a particular fine or penalty is uninsurable as a matter of law.

For Supplementary Coverages numbers 7., 8., 9., and 10. below, it is agreed that any and all payments made for any of these shall be included within, and shall not be in addition to, the applicable limit of liability.

7. Automatic coverage for newly formed or acquired entities - The coverage provided under this policy shall apply on behalf of any entity which is newly formed or newly acquired by the *named insured* subsequent to the inception date of the *policy period*. Coverage shall be provided only to those newly formed or newly acquired entities for which, as of the date of formation or acquisition, the *named insured* directly owns fifty percent (50%) or more of the outstanding stock or other equity or ownership interest.

It is agreed that there shall only be coverage for those *claims* that arise from *wrongful acts* which were committed subsequent to the date of formation or acquisition. The *named insured* agrees to advise the Company of any newly formed or acquired entity within ninety (90) days of the date of formation or acquisition. The *named insured* agrees to accept any coverage terms or reasonable additional premium which the Company may require, relative to the newly formed or acquired entity.

8. Coverage for indemnification of clients - Whenever any written contract or written job specifications provide that the *named insured* shall indemnify the client for, or hold the client harmless or free from, any *damages* or *claims expense* which are due to the *wrongful act* of any *insured*, the Company will pay on behalf of the *named insured* those *damages* or *claims expense* that must be paid to indemnify the client.
9. Vicarious liability coverage - The coverage provided under this policy shall apply on behalf of all *insureds* for *wrongful acts* committed by any entity or individual for whom any *insured* is legally liable, as long as the *wrongful act* was committed on or after the retroactive date shown on the Policy Declarations Page or on an endorsement to the policy.
10. Response costs coverage - In accordance with, and in support of, the duties of the *named insured* to mitigate *damages*, as described in Section VI., Conditions, Paragraph G., Mitigation, the Company will reimburse the *named insured* for all costs expended by the *named insured* in fulfilling the *named insured's* duties of mitigation, subject to the following limitations:
 - a. The only costs that will be reimbursed by the Company are those costs that are expended by the *named insured* in efforts to abate, stop, prevent, or reduce the *damages* emanating from a *pollution condition* caused directly or indirectly by any *wrongful act* committed by any *insured*.
 - b. The only costs that will be reimbursed by the Company are those costs that are expended by the *named insured* on or after the date that the *named insured* first becomes aware of the *pollution condition* until that date that the *named insured* first has a reasonable opportunity to report the incident, circumstances, or *claim* to the Company.
 - c. Nothing in this provision shall in any way alter, modify, or change the duty of the *named insured* to give notice of *claims* to the Company pursuant to Section VI., Conditions, Paragraph A., Notice of *Claim*.

II. DEFINITIONS

Claim

Words and phrases in italics in this Policy have the following special meaning. The term *claim* means an oral or written notice to the *named insured* from any party intending to hold any *insured* responsible for *damages* arising out of a *wrongful act* committed by any *insured* in performing or failing to perform *professional services*.

- Claims Expenses** The term *claims expenses* shall mean all costs, charges and expenses resulting from the adjustment, appraisal, investigation, defense, settlement, arbitration or appeal of any *claim* covered by the terms and conditions of this policy if such costs, charges and expenses are incurred by the Company, an attorney designated by the Company, or by any *insured* with the written consent of the Company; except that it shall not include the costs of investigating or administering any *claim* by employees of the Company or loss of earnings incurred by any *insured* in investigating, defending, settling, arbitrating or appealing any *claim* at the Company's direction, except as provided in Section I.B., Supplementary Coverages and Payments, Paragraph 5., Defendant's Reimbursement.
- Damages** The term *damages* shall mean a judgment, award or settlement monetarily compensating a claimant for a *claim* covered by the terms and conditions of this policy, and shall include *damages* based upon emotional distress. *Damages* also includes any loss due to diminution in value or loss of use of land, property, or buildings. *Damages* does not include any of the following:
1. Any administrative, civil or criminal fines, sanctions, taxes, or penalties, whether pursuant to law or statute, except to the extent coverage for reimbursement for fines or penalties is provided under Section I.B., Supplementary Coverages and Payments, Paragraph 6., Coverage for fines or penalties;
 2. Restitution, reduction, disgorgement, set off, return, or payment of any form of any consulting fees or payments, or any other costs, expenses or charges;
 3. Any loss of income or revenue to any *insured*, regardless of the cause or reason for the loss of income or revenue, except as provided in Section I.B., Supplementary Coverages and Payments, Paragraph 5., Defendant's reimbursement;
 4. Any form of non-monetary judgments or relief, including, but not limited to, specific performance or any injunctive relief of any kind;
 5. Any amount of any civil judgment which is, or represents, any multiple of any kind of damage award, including, but not limited to, the two-thirds portion of any award of treble *damages*.
- Insured** The term *insured* means:
1. The *named insured*; and
 2. A director or officer of the *named insured*, but only while acting in their respective capacity as such; and
 3. An employee of the *named insured*, but only with respect to *professional services* performed or failed to have been performed on behalf of the *named insured* in the employee's capacity as such; and
 4. A former director, officer or employee of the *named insured*, but only with respect to *professional services* performed or failed to have been performed

on behalf of the *named insured* prior to the termination of that respective capacity; and

5. The current spouse of any current owner, director or officer of the *named insured*; and
6. The heirs, executors, administrators, and legal representatives of each *insured* in the event of death, incapacity or bankruptcy, but solely with respect to the liability of each *insured* as otherwise covered by this policy; and
7. A limited liability company, if the *named insured* or any other *insured* exists as such, along with all past and present members of any such limited liability company, but only with respect to *professional services* performed or failed to have been performed on behalf of the *named insured*.

No person or organization is an *insured* with respect to the conduct of any current or past partnership or joint venture that is not shown as a *named insured* in the Declarations.

Named Insured	The term <i>named insured</i> shall mean the proprietor, partners or organization specified in the Declarations.
Policy Period	The term <i>policy period</i> means the period set forth in the Declarations, or any shorter period arising as a result of cancellation.
Policy Year	The term <i>policy year</i> means the separate annual year period whenever the <i>policy period</i> set forth in the Declarations is for either a two or three year time period.
Pollution Condition	The term <i>pollution condition</i> means the discharge, dispersal, release or escape of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, <i>waste</i> materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, which results in bodily injury or property damage.
Professional Services	The term <i>professional services</i> shall mean the services specified by endorsement to this policy, but only if the services were performed by or on behalf of the <i>named insured</i> for clients for a fee.
Waste	The term <i>waste</i> means any discarded materials of any kind, including those materials to be recycled, reconditioned, reclaimed, or disposed of.
Wrongful Act	<p>The term <i>wrongful act</i> means any of the following that any <i>insured</i> actually or allegedly commits, but only in the performance of <i>professional services</i> rendered by or on behalf of the <i>named insured</i>:</p> <ol style="list-style-type: none">1. An act, error, omission or failure to perform;2. Breach of contract in failing to provide or perform agreed upon <i>professional services</i>;3. A conflict of interest in representing clients with adverse interests; or4. The unauthorized practice of law. <p>Additionally, in order to be defined to be a <i>wrongful act</i> under this definition, the particular <i>wrongful act</i> must have been committed on or after the retroactive date</p>

specified either in the Policy Declarations or in an endorsement to this policy, but prior to the end of the *policy period*. If no retroactive date is specified, that means that all *wrongful acts* committed prior to the end of the *policy period* are included within this definition.

III. LIMITS OF INSURANCE

A. MAXIMUM LIMITS OF LIABILITY

The Company's maximum limit of liability hereunder shall not exceed the separate limits for *damages* and *claims expenses* specified in the Declarations, irrespective of any of the following:

1. The number of *claims* made; or
2. The number of persons or organizations making *claims*; or
3. The number of persons covered hereunder; or
4. The number of *wrongful acts* actually or allegedly committed; or
5. The types of *damages* awarded.

B. SEPARATE AND SPECIFIC LIMITS OF LIABILITY

As specified in the Declarations:

1. The "*Damages Limit for Each Claim*" amount shown in the Declarations is the maximum amount the Company will pay under all Coverage Parts combined that form a part of this policy for *damages* that arise out of any one *claim*;
2. The "*General Aggregate Limit for Damages (Other than Products-Completed Operations)*" amount shown in the Declarations is the maximum amount the Company will pay under all Coverage Parts combined that form a part of this policy, for all *damages* arising from covered *claims* (other than those included in the products-completed operations hazard);
3. The "*Claims Expense Limit for Each Claim*" amount shown in the Declarations is the maximum amount the Company will pay for all *claims expenses* that arise out of any one *claim* that is covered under either or both of the Contractors Pollution Liability and/or the Professional Liability Coverage Parts;
4. The "*Claims Expense Aggregate Limit*" amount shown in the Declarations is the maximum amount the Company will pay for all *claims expenses* that arise from covered *claims* that are covered under either or both of the Contractors Pollution Liability and/or the Professional Liability Coverage Parts.

The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the *policy period* shown in the Declarations, unless the *policy period* is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

If this policy and any other policy providing coverage by the Company or any affiliate company apply to the same *wrongful act* or series of related *wrongful acts*, the aggregate maximum Limit of Liability payable under all of the policies combined shall be limited to the amount of the highest applicable Limit of Liability payable under any one of the policies. Related *wrongful acts* are those *wrongful acts* that arise out of, are based on, relate to or are in consequence of, the same facts, circumstances or situations.

The Limits of Insurance shown in the Declarations shall apply in excess of the Self Insured Retention amount shown in the Declarations.

IV.DEDUCTIBLE

As respects each *claim* first made against any *insured*, the *named insured* shall be responsible for payment for that amount of *damages* or *claims expenses* indicated in the Declarations as the Deductible amount. The Company shall not be responsible to make any payments for either *damages*, *claims expenses*, or any coverage or payment provided pursuant to Section I.B., Supplementary Coverages and Payments, unless and until the full amount of the Deductible has been paid by the *named insured*.

Should the Company, for any reason, pay any amount of *damages*, *claims expenses* or supplementary payments without regard to the Deductible amount, the *named insured* will reimburse the Company within 30 days of the Company's request for such reimbursement, for that part of the Deductible Amount which has been paid.

V.EXCLUSIONS

The Company shall have no obligation whatsoever under this policy to make any payment of any kind for either *damages*, *claims expense*, or any coverage or payment provided pursuant to Section I.B., Supplementary Coverages and Payments, or to arrange for, provide, or pay, for any defense, for:

- A. Any *claim* of any kind or nature made by any past or present *insured* against any other past or present *insured*; or
- B. Any *claim* for wrongful termination, discrimination or any unfair employment practices; or
- C. Any *claim* made by or on behalf of any business enterprise not shown on the Declarations:

1. Which is, was, or will be owned in whole or in part by any past or present *insured*; or
2. Which owned in whole or in part at any time the *named insured*; or
- D. Any *claim* arising from any advice rendered or which allegedly should have been rendered with respect to any bond, suretyship or insurance requirement; or
- E. Any *claim* arising from any *insured's* intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint or notice of violation, notice letter, executive order, or instruction of any governmental agency or body; or
- F. Any *claim* arising from an illegal, dishonest, fraudulent, criminal, or malicious act actually or allegedly committed by any *insured*; or
- G. Any *claim* which arises from, or is related to, any collision or accident involving an automobile, truck, boat, watercraft, airplane, helicopter, or other aircraft or vehicle of any kind or type; or
- H. Any *claim* in any way related to any dispute or any other kind of issue or right involving any copyright, patent, or trademark; or
- I. Any *claim* arising from any of the following relative to any contract any *insured* has entered into with a client:
 1. Any assumption of the client's sole negligence or legal liability by the *insured*; or
 2. Any failure by any *insured* to perform or provide a good or service by a date stipulated in a contract with any client; or
 3. Any liquidated or stipulated *damages* under a contract with a client of any *insured*, unless the same type of *damages* would attach without the existence of the contract; or
- J. Any obligation of any *insured* under workers compensation, disability benefits, unemployment compensation, employee benefits, pension sharing, ERISA law or any similar law.

VI. CONDITIONS

A. NOTICE OF CLAIM

In the event of a *claim*, or any *insured's* knowledge of circumstances which could reasonably be expected to give rise to a *claim* the *named insured* shall have the duty to provide written notice to the Company as soon as practicable, but not later than sixty (60) days immediately subsequent to the end of this *policy period*. This written notice shall be given whether or not the *named insured* believes that the *claim*, or incident giving rise to the *insured's* knowledge, will result in a demand that falls under, or in excess of, the Deductible.

Written notice shall be given to the insurance company shown in the Declarations, in care of:

Senior Vice President - Claims
Endurance American Specialty Insurance Company
C/O Endurance Specialty Insurance Marketing Corp.
725 South Figueroa Street, Suite 2100
Los Angeles, California 90017

Telephone (213) 270-7017

Fax (213) 270-7800

E-Mail addressed to: Eclaims@enhinsurance.com

Such written notice must contain complete details, including, but not limited to, the exact date the *claim* was made, location, circumstances giving rise to such *claim*, the name of all claimants and a full description of the nature and scope of the allegations. These duties of the *insured* hereunder shall be non-delegable.

B. COOPERATION AND ASSISTANCE OF THE *INSURED*

Each *insured* shall have the duty to fully cooperate with and assist the Company, with respect to the investigation, defense, settlement, arbitration or appeal of any *claim*. No *insured* shall be indemnified hereunder for loss of earnings incurred in such cooperation or assistance, except as provided in Section I.B., Supplementary Coverages and Payments, Paragraph 5., Defendant's Reimbursement, nor shall such loss of earnings apply towards the satisfaction of the Deductible.

C. ACTIONS PREJUDICIAL TO THE COMPANY

In the event of a *claim*, no *insured* shall undertake any of the following actions, without the Company's prior, written consent:

1. Engage counsel to provide legal representation; or
2. Assume any obligation, other than the reasonable efforts required to satisfy the duty to mitigate *damages* as provided in Section VI., Conditions, Paragraph G., Mitigation; or
3. Forgive, reduce in amount or otherwise compromise any compensation owed or allegedly owed to the *named insured*; or
4. Admit, or in any manner acknowledge liability; or
5. Effectuate or attempt to effectuate settlement, including, but not limited to, entering into a consent decree involving the assignment of any *insured's* interest under this policy.

Any of the foregoing actions by any *insured* shall be deemed to materially prejudice the Company's rights.

D. SUBROGATION

If the Company pays an amount hereunder as *damages*, *claims expense*, or as any payment under Section I.B., Supplementary Coverages and Payments, or any combination thereof, the Company shall be subrogated to all of each *insured's* rights of recovery against any person, firm or organization. All *insureds* shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. No *insured* shall waive or prejudice any such rights either prior to or subsequent to any *claim*.

E. ACCEPTANCE

By acceptance of this policy, the *named insured* hereby confirms that all provisions hereof, including all endorsements and the application attached hereto and made a part of this policy, embody all agreements existing between the *named insured* and the Company and supersede any prior agreements, whether expressed or implied.

F. MITIGATION

The *named insured* shall make all reasonable efforts to abate, stop, prevent, or reduce the *damages* emanating from any *pollution condition* resulting directly or indirectly from any *wrongful act* committed by any *insured*. It is agreed that these efforts shall commence immediately upon discovery or notice of the *pollution condition* by any *insured*. These efforts must include mitigating, alleviating or otherwise limiting the *damages* which could result from the *pollution condition*. Such efforts must be undertaken even in the absence of a *claim*.

G. NO ACTION AGAINST COMPANY

No action shall lie against the Company unless, as a condition precedent thereto, each *insured* has fully complied with all the provisions of the policy, or until the amount of the *named insured's* obligation to pay has been finally determined either by written agreement of the *named insured*, the claimant and the Company or by final judgment against the *named insured* after the actual trial of the issues and the period of time to appeal has elapsed without an appeal having been taken or, if an appeal has been taken, then until after such appeal has been determined.

H. AUDIT

The Company shall have the right to examine or audit all financial records of the *named insured*, for the purpose of ascertaining the accuracy of the income or revenue stated in the application.

I. NONRENEWAL

The Company may non-renew this policy by mailing or delivering to the *named insured* at the address stated on the Declarations Page written notice of nonrenewal at least thirty (30) days before the expiration date of this policy. The offer of renewal policy terms, conditions, or premium amounts different than those in effect prior to renewal does not constitute non-renewal.

J. APPLICATION IS INCORPORATED INTO, AND IS PART OF POLICY

The *named insured* acknowledges and agrees that:

1. The warranties and representations contained in the Application for this Policy are true, correct and complete; and
2. The Company issued this Policy in specific reliance upon the warranties and representations contained in the Application; and
3. The Application is incorporated into, and is part of, this Policy.

K. OTHER INSURANCE

If any part of either *damages* or *claims expenses* is insured under this Policy and any other current, prior or subsequent Policy, this policy shall provide coverage for such *damages* or *claims expenses* on a pro rata basis with such other Policy according to the applicable Limits of Liability of this Policy and such other Policy.

L. SEPARATION OF INSURED

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first *Named Insured*, this insurance applies:

1. As if each *Named Insured* were the only *Named Insured*; and
2. Separately to each *insured* against whom claim is made or *suit* is brought.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 1

Common Policy Conditions Endorsement

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

In consideration of the premium charged, and notwithstanding anything contained in this policy to the contrary, it is hereby agreed that all coverage parts included in this policy are subject to the following conditions:

A. CANCELLATION

The *named insured* may cancel this policy by mailing to the Company written notice stating when thereafter such cancellation shall become effective. The Company may cancel this policy by mailing to the *named insured*, at the mailing address specified the Declarations, written notice stating when not less than thirty (30) days thereafter such cancellation shall become effective, except in the event of the *named insured's* nonpayment of premium, not less than ten (10) days advance notice of cancellation shall be given. The mailing of notice as aforesaid, shall be sufficient proof of either party's intent to cancel. The effective date of cancellation specified in such notice shall terminate this *policy period*. Delivery of such notice shall be equivalent to mailing.

If the *named insured* cancels, the earned premium shall be computed in accordance with the customary short rate table. If the Company cancels, the earned premium shall be computed pro rata. The Company will tender any return premium subject to retaining a minimum earned premium equal to 25% of the amount specified in the Declarations. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable thereafter, but tender of the unearned premium or return of this policy, shall not be conditions precedent to cancellation hereunder.

B. CHANGES

No provision of this policy may be amended, waived or otherwise changed, except by endorsement hereto.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

D. INSPECTIONS AND SURVEYS

We have the right, but are not obliged to:

1. Make inspections and surveys at any time; and
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service, engineering firm or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. NAMED INSURED AS AGENT

The *named insured* specified in the Declarations shall be deemed agent of each *insured* with respect to all matters involving this policy, however, the Company shall have the right to seek indemnification from any *insured* or any other person who may be legally liable for the debts of the *named insured*.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 1

F. PREMIUMS

The first *Named Insured* shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay; and
3. Is responsible for the payment of all deductibles and self-insured retention amounts under this policy.

G. ADDITIONAL PREMIUMS

If, during this *policy period*, an increase in the risk or hazards covered hereunder occurs, the Company shall have the right to charge the appropriate additional premium.

H. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual *Named Insured*. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

I. BANKRUPTCY

Bankruptcy or insolvency of the *insured* or of the *insured's* estate will not relieve us of our obligations under this Coverage Part.

Nuclear Energy Liability Exclusion

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

I. The insurance does not apply:

- A. Under any Liability Coverage, to *bodily injury* or *property damage*:
 - 1. With respect to which an *insured* under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of insurance; or
 - 2. Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the *insured* is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Medical Payments coverage, to expenses incurred with respect to *bodily injury* resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- C. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from "hazardous properties" of "nuclear material," if:
 - 1. The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an *insured* or (b) has been discharged or dispersed therefrom;
 - 2. The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or
 - 3. The *bodily injury* or *property damage* arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such "nuclear facility" and any property thereat.

II. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties.

"Nuclear material" means "source material," "special nuclear material" or "by-product material."

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor."

"Waste" means any waste material (a) containing "by-product material" other than the tailings or waste produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

- a. Any "nuclear reactor";
- b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste";
- c. Any equipment or device used for the processing fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any of the combination thereof, or more than 250 grams of uranium 235; or
- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste"; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 3

Deductible Liability Insurance Endorsement

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

COVERAGE	AMOUNT & BASIS OF DEDUCTIBLE	
	Per Claim	Per Occurrence
Bodily Injury Liability	Not applicable	Not Applicable
Property Damage Liability	Not applicable	Not Applicable
Bodily Injury & Property Damage Liability Combined	Not applicable	\$50,000

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. Our obligation under the Bodily Injury Liability and Property Damage Liability coverage parts to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts state in the Schedule above, as applicable to such coverage.
- B. Deductible amounts may be on either a Per Claim or Per Occurrence basis. The deductible applies to the coverage option and to the basis of the Deductible indicated by the placement of the Deductible amount in the Schedule above. The Deductible amount stated in the Schedule above applies as follows:
- 1. Per Claim Basis**
If the Deductible amount indicated in the Schedule above is on a Per Claim basis, that Deductible applies as follows:
 - a. Under Bodily Injury Liability coverage, to all damages sustained by any one person because of "bodily injury"; or
 - b. Under Property Damage Liability coverage, to all damages sustained by any one person because of "property damage"; or



Pastor, Behling & Wheeler, LLC
Endorsement Number: 3

- c. Under Bodily Injury & Property Damage Liability Combined, to all damages sustained by any one person because of:
 - (1) "bodily injury"; or
 - (2) "property damage"; or
 - (3) "bodily injury" and "property damage" combined as the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate Deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage"; the definition of person includes an organization.

2. Per Occurrence Basis

If the Deductible amount indicated in the Schedule above is on a "per occurrence" basis, that Deductible amount applies as follows:

- a. Under Bodily Injury Liability coverage, to all damages because of "bodily injury"; or
- b. Under Property Damage Liability coverage, to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and Property Damage Liability Coverage Combined, to all damages because of:
 - (1) "Bodily injury"; or
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combined as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

- C. The terms of this insurance, including those with respect to:
 - 1. Our right and duty to defend the Insured against any "suits" seeking those damages; and
 - 2. Your duties in the event of an "occurrence" claim or "suit" apply irrespective of the application to the Deductible amount.
- D. We may pay any part, or all, of the Deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.
- E. This endorsement does not apply to COVERAGE C. MEDICAL PAYMENTS.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 4

Extended Reporting Period Endorsement

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

All references to Extended Reporting Periods are deleted in their entirety and replaced with the following:

It is agreed that, if the *Named Insured* or the Company shall cancel or refuse to renew this policy, for any reason other than the failure of the *Named Insured* to pay premiums and/or its deductible obligation when due or to comply with all of the terms and conditions of this policy, one or two Extended Reporting Periods, as described below, will be available to the *insured*:

1. Subject to no additional premium, the *Named Insured* shall have the right to have a period of sixty (60) days following the effective date of such cancellation or non-renewal to give written notice to the Company of *claims* made against the *Named Insured* during the said sixty (60) day period;
2. Upon payment of an additional premium of up to 75% of the premium shown in the Declarations, the *Named Insured* shall have the right to elect to have a period of twelve (12) months following the effective date of such cancellation or non-renewal to give written notice to the Company of *claims* made against the *Named Insured* during the said twelve (12) month period;
3. Upon payment of an additional premium of up to 100% of the premium shown in the Declarations, the *Named Insured* shall have the right to elect to have a period of twenty-four (24) months following the effective date of such cancellation or non-renewal to give written notice to the Company of *claims* made against the *Named Insured* during the said twenty-four (24) month period;
4. Upon payment of an additional premium of up to 150% of the premium shown in the Declarations, the *Named Insured* shall have the right to elect to have a period of thirty-six (36) months following the effective date of such cancellation or non-renewal to give written notice to the Company of *claims* made against the *Named Insured* during the said thirty-six (36) month period.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 4

5. Upon payment of an additional premium of up to 175% of the premium shown in the Declarations, the *Named Insured* shall have the right to elect to have a period of forty-eight (48) months following the effective date of such cancellation or non-renewal to give written notice to the Company of *claims* made against the *Named Insured* during the said forty-eight (48) month period.
6. Upon payment of an additional premium of up to 200% of the premium shown in the Declarations, the *Named Insured* shall have the right to elect to have a period of sixty (60) months following the effective date of such cancellation or non-renewal to give written notice to the Company of *claims* made against the *Named Insured* during the said sixty (60) month period.

The rights contained in this clause shall arise only if written notice of the election of these rights and any additional premium is received by the Company within sixty (60) days of the effective date of cancellation or non-renewal. The Extended Reporting Period provisions provided by this clause under no circumstance shall extend the policy period, change the scope of coverage or increase any Aggregate Limits of Insurance shown in the Declarations.

If an Extended Reporting Period is elected, this policy is extended to apply to *claims* first made against the *insured* during the Extended Reporting Period, but only to *claims* for *damages* arising out of operations or *professional services* performed, or failed to have been performed, subsequent to the retroactive date specified in the Declarations and prior to the end of the *policy period*.

Once in effect, Extended Reporting Periods may not be canceled and the applicable premium is fully earned.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 5

Automatic Additional Insured – Owners, Lessees or Contractors

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART CONTRACTORS POLLUTION LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

Any person(s) or organization(s) whom the *Named Insured* agrees, in a written contract, to name as an additional insured. However, this status exists only for the project specified in that contract.

The person or organization shown in this Schedule is included as an insured, but only with respect to that person's or organization's vicarious liability arising out of your ongoing operations performed for that insured.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 6

Automatic Waiver of Subrogation Endorsement

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
CONTRACTORS POLLUTION LIABILITY COVERAGE PART**

SCHEDULE

Name of Person or Organization:

Any person(s) or organization(s) to whom the *Named Insured* agrees, in a written contract, to provide a waiver of subrogation. However, this status exists only for the project specified in that contract.

The Company waives any right of recovery it may have against the person or organization shown in the above Schedule because of payments the Company makes for injury or damage arising out of the *insured's* work done under a contract with that person or organization. The waiver applies only to the person or organization in the above Schedule.

Under no circumstances shall this endorsement act to extend the policy period, change the scope of coverage or increase the Aggregate Limits of Insurance shown in the Declarations.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 7

Specified Professional Services Endorsement

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERAGE PART

Professional Services shall include those services performed by you or on your behalf, for others in your practice.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 8

CLAIM NOTICE

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

In the event of claim to which this policy may apply, please give immediate notice in any of the following ways, to:

Senior Vice President - Claims
Endurance American Specialty Insurance Company
C/O Endurance Specialty Insurance Marketing Corp.
725 South Figueroa Street, Suite 2100
Los Angeles, California 90017

Telephone (213) 270-7017
Fax (213) 270-7800
E-Mail addressed to: Eclaims@enhinsurance.com

E-mail is the preferred method of receiving claim notice information, but any of the above methods of notification will generate an acknowledgement of receipt of claim with a claim number and all of the claim adjusters' contact information.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 9

Minimum Earned Premium Endorsement

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

- X **COMMERCIAL GENERAL LIABILITY COVERAGE PART**
- X **CONTRACTORS POLLUTION LIABILITY COVERAGE PART**
- X **PROFESSIONAL LIABILITY COVERAGE PART**

If this policy is cancelled at the request of the *Insured*, the total retained by the Company shall not be less than 25% of the premium shown in the Declarations.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 10

Transportation At Jobsite – Endorsement

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

CONTRACTORS POLLUTION LIABILITY COVERAGE PART

In consideration of an additional premium of \$Applied, and notwithstanding anything contained in this policy to the contrary, it is hereby agreed that V. EXCLUSIONS E. is amended to read

E. Any *claim* which arises from, or is related to, any collision or accident involving an automobile, truck, boat, watercraft, airplane, helicopter, or other aircraft or vehicle of any kind or type; however this exclusion does not apply within the boundaries of the job site where the *insured* is performing any contracting or remediation operations.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 11

Exclusion – Engineers, Architects or Surveyors Professional Liability

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A -- BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I -- Coverages) and paragraph 2., Exclusions of COVERAGE B -- PERSONAL AND ADVERTISING INJURY LIABILITY (Section I -- Coverages):

This insurance does not apply to "bodily injury," "property damage," "personal injury," or "advertising injury" arising out of the rendering of or failure to render any professional services by you or performing work on your behalf in such capacity.

Professional services include:

1. The preparing, approving, or failing to prepare or approve, maps, drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
2. Supervisory, inspection, architectural or engineering activities.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 12

**U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN
ASSETS CONTROL ("OFAC")
NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- * Foreign agents;
- * Front organizations;
- * Terrorists;
- * Terrorist organizations; and
- * Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

Endurance American Specialty Insurance Company
PN-0001 00107



Pastor, Behling & Wheeler, LLC
Endorsement Number: 13

**Automatic Primary and Non-Contributory
Insurance Endorsement
Designated Work Or Project(s)**

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

SCHEDULE

Name of Person or Organization:

Any person(s) or organization(s) whom the *Named Insured* agrees, in a written contract, to provide Primary and/or Non-contributory status of this insurance. However, this status exists only for the project specified in that contract.

In consideration of an additional premium of \$Applied and notwithstanding anything contained in this policy to the contrary, it is hereby agreed that this policy shall be considered primary to any similar insurance held by third parties in respect to work performed by you under any written contractual agreement with such third party. It is further agreed that any other insurance which the person(s) or organization(s) named in the schedule may have is excess and non-contributory to this insurance.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 15

Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under this policy.

A. This insurance does not apply to:

Terrorism

"Any injury or damage" arising directly or indirectly, out of a "certified act of terrorism" or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act.

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in US dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. physical injury that involves a substantial risk of death; or
 - b. protracted and obvious physical disfigurement; or
 - c. protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use or release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraph 1. and 2. describe the thresholds used to measure the magnitude of an Incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under this policy, or "underlying insurance" to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "loss", "injury" or "environmental damage" as may be defined in any applicable policy, or "underlying insurance".
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

- b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
 - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism". Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
4. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanctions or embargo by the United States of America.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 15

- C. In the event of any incident of a "certified act of terrorism" or an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this policy.

This endorsement does not change any other provision of the policy.

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Pastor, Behling & Wheeler, LLC
Endorsement Number: 16

This Endorsement is Attached to and Made Part of Your Policy in Response to The Disclosure Requirements of The Terrorism Risk Insurance Act. This Endorsement Does Not Grant Any Coverage or Change the Terms and Conditions of Any Coverage Under The Policy.

**DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE
ACT – REJECTION OF OFFER**

A. Rejection of Offer

You have rejected the offer of terrorism coverage for Acts of Terrorism that are certified under the Terrorism Risk Insurance Act as reauthorized and amended in 2007, as an Act of Terrorism. An exclusion of terrorism losses has been made a part of this policy.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. **You have rejected this offer of coverage.**

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Pastor, Behling & Wheeler, LLC
Endorsement Number: 17

Exclusion of Certified Acts of Terrorism

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

This endorsement modifies insurance provided under this policy.

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Policy or "underlying insurance" to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Policy or "underlying insurance".
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the



Pastor, Behling & Wheeler, LLC
Endorsement Number: 17

aggregate, attributable to all types of insurance subject to the
Terrorism Risk Insurance Act; and

- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 18

Media & Technology Coverage Endorsement

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

In consideration of an additional premium of \$Applied, it is hereby understood and agreed that this endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERAGE PART

Retroactive Date: 3/18/2009

I. Section I. INSURING AGREEMENTS is amended to include the following:

A. COVERAGE AND DEFENSE

The Company shall pay on behalf of the *insured* those damages in excess of the Deductible that the *insured* becomes legally obligated to pay to others because of liability imposed by law or with respect to 1. e. below *assumed under contract*, but only:

1. if such *damages* result from a *wrongful act*:
 - a) committed by any *insured* in performing or failing to perform anywhere in the world; or
 - b) committed by any *insured* in performing or failing to perform *technology based services* anywhere in the world; or
 - c) committed by any *insured* that results in the failure of *technology products* to perform the function or serve the purpose intended anywhere in the world; or
 - d) committed by any *insured* in the course of providing or managing *computer systems* security anywhere in the world that results in:
 - i. the inability of a third party, who is authorized to do so, to gain access to *computer systems*; or your *technology based services*; or
 - ii. the failure to prevent *unauthorized access* to *computer systems* that results in:

1. the destruction, deletion or corruption of electronic data on *computer systems*; or
 2. *theft of data* from *computer systems*; or
 3. denial of service attacks against internet sites or computers; or
 - iii. the failure to prevent transmission of *malicious code* from *computer systems* to third party computers and systems.
- e) Committed in the course of the *named insured's* performance of *professional services* or *technology based services* anywhere in the world;
2. If the *insured* committed the *wrongful act* on or after the retroactive date specified in this endorsement and prior to the end of this *policy period*; and
 3. If *claim* for such *damages* is first made against the *insured* during the *policy period*, or any applicable extended reporting period; and
 4. If such *claim* is reported in writing directly to the Company and such reporting is received by the Company as soon as practicable, but not later than sixty (60) days immediately subsequent to the end of this *policy period*; and
 5. If on the effective date of this endorsement, no *insured* had knowledge of any circumstances, which could reasonably be expected to give rise to a *claim*.

Providing, INSURING AGREEMENTS I. A. 1. a. – e. of the Insurance shall not apply to any *claim* for or arising out, related to, contributing to or constituting patent infringement or the inducement to infringe on a patent; misuse of a patent; or the disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information.

The Company will pay all *claims expenses* in excess of the Deductible for all *claims* covered under the terms of this policy.

The Company shall also have the exclusive right to investigate such, to designate and appoint all legal counsel to defend the *insured* and to otherwise control the defense thereof. However, notwithstanding the above, the *named insured's* rights under this policy shall not be prejudiced by any refusal to disclose the identity of any confidential source of information, or to produce any documentation or information obtained in the course of *media activities* in respect of which the *named insured* has asserted a claim of reporter's privilege or any other privilege regarding the protection of news-gathering activities.

If a *claim* is made against any *insured* such as is described in the immediate foregoing, other than in the United States of America, its territories or possessions, or Canada, the Company shall have the right, but not the duty, to provide for the defense of such *claim*. If the Company elects not to provide for the defense of such *claim*, the *named insured*, under the supervision of the Company, shall have the duty to make or cause to be made such investigation and defense as are necessary and, subject to prior authorization by the Company, effectuate settlement. In such eventuality, the Company shall indemnify the *named insured* for *claims expenses* incurred and *damages* and supplementary payments paid in excess of the Deductible.

The Company shall have the exclusive right hereunder to negotiate and effectuate the settlement of all *claims*, as it deems expedient, whether under or in excess of the Deductible, but it shall not commit the *named insured* to any settlement without the *named insured's* consent. If, however, the *named insured* refuses to consent to a settlement recommended by the Company and elects to contest such *claim* or continue legal proceedings in connection therewith, the Company's liability shall be limited to the sum of the amount for which the *claim* could have been settled and all *claims expenses* incurred up to the time of such refusal, which is in excess of the Deductible.

The Company's duty to provide for the defense of any *insured*, to pay *damages* on behalf of any *insured*, or to make any payment pursuant Section I.B. Supplementary Coverages and Payments, shall immediately terminate:

1. if the Limits of Insurance of this policy become exhausted by payment of *damages* or *claims expenses*; or
2. if the *named insured* fails to fulfill its Deductible obligation as imposed by Section IV. Deductible; or
3. if the application attached hereto and made a part of this policy, including any addendum or addenda thereto, contains any material misrepresentation of fact.

II. Section V. EXCLUSIONS is amended by adding the following:



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The Company shall have no obligation whatsoever under I. INSURING AGREEMENTS A. COVERAGE AND DEFENSE, 1.b. – e. of this policy to make any payment of any kind for either *damages, claims expenses*, or any coverage or payment provided pursuant to Section I.B., SUPPLEMENTARY COVERAGES AND PAYMENTS, or to arrange for, provide, or pay, for any defense, for:

- K. any *claim* for, arising out of, or resulting from *bodily injury* or *property damage*.
- L. any *claim* arising out of or resulting from:
 - a. any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written, except:
 - i. with respect to:
 - (a) INSURING AGREEMENT 1.b. for breach of an agreement by the *named insured* to perform *technology based services*; or
 - (b) INSURING AGREEMENT 1.c. for breach of an agreement by the *named insured* to manufacture, develop, create, distribute, license, lease or sell *technology products*;

Provided this exception L. a. i) shall not apply to breach of any hold harmless or indemnity agreement;

- ii) with respect to I. INSURING AGREEMENT Section A. 1 – 5, for liability:
 - (a) *assumed under contract*; or
 - (b) *misappropriation of ideas under an implied contract*
 - iii) To the extent the *insured* would have been liable in the absence of such contract or agreement; or
 - b. breach of contractual obligation which goes beyond an express or implied duty to exercise a degree of care of skill as is consistent with applicable industry standards; or
 - c. breach of guarantee or any promises of cost savings, profits or return on investment.

- M. any *claim* for or arising out of or resulting from:
 - a. *inaccurate, inadequate or incomplete description of the price of goods, products or services*;
 - b. *cost guarantees, cost representations, or contract price estimates of probably costs or costs*



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estimates actually or allegedly exceeded;

c. the failure of goods, products, or services to conform with any represented quality or performance contained in *advertising*; or

d. any actual or alleged gambling, contest, lottery, promotional game or other game of chance.

N. any *claim* arising out of or resulting from any actual or alleged obligation to make licensing fees or royalty payments, including but not limited to the amount or timeliness of such payments.

O. any *claim* for or arising out of or resulting from any costs or expenses incurred or to be incurred by the *insured* or others for:

a. the reprinting, recall, removal or disposal of any *media material*, including any media or products containing such *media material*; or

b. the withdrawal, recall, inspection, repair, replacement, reproduction, removal or disposal of:

i) *technology products*, including any products or other property of others that incorporate *technology products*;

ii) Work product resulting from or incorporating the results of *technology based services*; or

iii) Any products or other property on which *technology based services* are performed;

However, this exclusion shall not apply to *claims* for the resulting loss of use of such *media materials* or *technology products* or loss of use of the work product resulting from such *technology based services*.

P. any *claim* arising out of or resulting from:

a. the failure of *computer systems* to be protected by security practices and procedures equal to or superior to those disclosed in response to questions in the Application for Insurance relating to *computer systems* security, including access protection, intrusion detection, data back up procedures, *malicious code* protection, and data encryption procedures; or

b. the failure to install available software product updates and releases, or to apply security related software patches, to computers and other components or *computer systems*.

Q. any *claim* arising out of, resulting from or alleging:

a. any failure or malfunction of electrical or telecommunications infrastructure or services, unless under the *named insured's* operational control; or



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- b. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical or force majeure event.
- R. any *claim* for or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, violation of the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, as amended, or any similar law or legislation of any state, province or other jurisdiction, false or deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive or misleading advertising.
- S. any *claim* brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any similar government entity, in such entity's regulatory or official capacity.
- T. any *claim* either in whole or in part, directly or indirectly, arising out of or resulting from or in consequence of, or in any way involving the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property.
- U. any *claim* for or arising out of or resulting from delay in delivery or performance, or failure to deliver or perform at or within an agreed upon period of time.
- V. any *claim* arising out of any related or continuing *wrongful acts*, errors or omissions where the first such *wrongful act* was committed prior to the Retroactive Date set forth in this Endorsement.
- W. any *claim* in any way related to:
 - a. any dispute or any other kind of issue or right involving any patent; or
 - b. any dispute or any other kind of issue or right involving any copyright or trade secret arising out of or related to *technology products*.
- X. any *claim* arising out of any services or activities or activities performed for any entity which:
 - a. is operated, managed or controlled by the *insured* or any *individual insured*;
 - b. the *insured* or any *individual insured* has an ownership interest;
 - c. the *insured* or any *individual insured* is an officer or director; or
 - d. wholly or partly owns, operates, controls or manages the *insured*.



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III. Section II. DEFINITIONS is amended for purposes of this endorsement, only, by adding the following:

Advertising

The term *advertising* means material which promotes the product, services or business of the *named insured* or others.

Assumed Under Contract

The term *assumed under contract* means liability assumed by the *named insured* under a written hold harmless or indemnity agreement regarding the content of *media material* used in a *media communication*, but only as respects acts for which insurance is afforded under INSURING AGREEMENT I.A.1.e.

Bodily Injury

The term *bodily injury* means physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting therefrom.

Computer Systems

The term *computer systems* means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:

- i. operated by and either owned by or leased to the *named insured*; or
- ii. operated by a third party service provider and used for the purpose of providing hosted computer application services to the *named insured* or for processing, maintaining, hosting or storing the *named insured's* electronic data, pursuant to written contract with the *named insured* for such services.

Malicious Code

The term *malicious code* means any virus, Trojan Horse, worm or other similar software program, code or script intentionally designed to insert itself into computer memory or onto a computer disk and spread itself from one computer to another.

Media Communication

The term *media communication* means the display, broadcast, dissemination, distribution or release of *media material* to the public by the *named insured*.

Media Material

The term *media material* means information in the form of words, sounds, numbers, images or graphics in electronic, print or broadcast form, including *advertising*, but does not mean computer software.

Media Activities



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The term *media activities* means *media communications* and/or the gathering, collection or recording of *media material* for inclusion in any *media communication* in the ordinary course of the *named insured's* business.

Property Damage

The term *property damage* means:

- 1) physical injury to or destruction of any tangible property, including the loss of use thereof; or
- 2) loss of use of tangible property that has not been physically injured or destroyed.

Technology Based Services

The term *technology based services* means computer and electronic technology services, including data processing, Internet services, data and application hosting, computer systems analysis, technology consulting and training, custom software programming for a specific client of the *named insured*, computer and software systems installation and integration, computer and software support, and network management services performed by the *insured*, or by others acting under the *named insured's* trade name, for others for a fee, but shall not mean *technology products*.

Technology Products

The term *technology products* means a computer or telecommunications hardware or software product, or related electronic product that is created, manufactured or developed by the *named insured* for others, or distributed, licensed, leased or sold by the *named insured* to others, for compensation, including software updates, service packs and other maintenance releases provided for such products.

Theft of Data

The term *theft of data* means the unauthorized taking, misuse or disclosure of information of *computer systems*, including but not limited to charge, debit, and credit card information, banking, financial and investment services account information, proprietary information, and personal, private, and confidential information.

Unauthorized Access

The term *unauthorized access* means:

- 1) the use of or access to *computer systems* by a person not authorized to do so by the *named insured*; or
- 2) the authorized use of or access to *computer systems* in a manner not authorized by the *named insured*.

IV. Section II. DEFINITIONS, for purposes of this endorsement, only, amends the defined terms as follows:



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Claim

The term *claim* means an oral or written notice to the *named insured* from any party intending to hold any *insured* responsible for *damages* arising out of a *wrongful act* covered under the Policy. *Claim* shall also mean a threat or initiation of a suit seeking injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction.)

Damages

The term *damages* does not include any of the following:

7. costs incurred by the *insured* to correct, re-perform or complete any *media activities* or *technology based services*;
8. discounts, coupons, prizes, awards or other incentives offered to the *insured's* customers or clients;
9. liquidated damages to the extent that such damages exceed the amount for which the *insured* would have been liable in the absence of such liquidated damages agreement, or;
10. any amount for which the *insured* is not liable, or for which there is no legal recourse against the *insured*.

Insured

With respect to this endorsement, only, the following are to amend the specified sections for the term *insured* referenced under Section II. DEFINITIONS.

The term *insured* means:

3. an employee of the *named insured*, but only with respect to any *professional services*, *technology based services* or *media activities* performed or failed to have been performed on behalf of the *named insured* in the employee's capacity as such; and
4. a former director, officer or employee of the *named insured*, but only with respect to any *professional services*, *technology based services* or *media activities* performed or failed to have been performed on behalf of the *named insured* prior to the termination of that respective capacity; and
7. a limited liability company, if the *named insured* or any other *insured* exists as such, along with all past and present members of any such limited liability company, but only with respect to any *professional services*, *technology based services* or *media activities* performed or failed to have been performed on behalf of the *named insured*.

Professional Services



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The term *professional services* shall mean services performed by or on behalf of the *named insured* for a fee for *Technology Based Services, Media Activities*, any services involving the creation, development, sale, distribution, installation, licensing or manufacturing of *Technology Products*.

Wrongful Act

The term *wrongful act* means:

1. any of the following that any *insured* actually or allegedly commits, but only in the performance of *professional services* rendered by or on behalf of the *named insured*.
 - a. a negligent act, error or omission;
 - b. Breach of Contract in failing to provide or perform agreed upon *professional services*;
 - c. a conflict of interest in representing clients with adverse interests; or
 - d. the unauthorized practice of law
2. any negligent act, error or omission that any *insured* actually or allegedly commits, but only in the performance of *technology based services* rendered by or on behalf of the *named insured*;
3. any negligent act, error or omission that any *insured* actually or allegedly commits that results in the failure of *technology products* to perform the function or serve the purpose intended;
4. any act, error or omission that any *insured* actually or allegedly commits in the course of providing or managing *computer systems* security that results in:
 - a. the inability of a third party, who is authorized to do so, to gain access to *computer systems* or your *technology based services*;
 - b. the failure to prevent *unauthorized access* to *computer systems* that results in:
 - i. the destruction, deletion or corruption of electronic data on *computer systems*
 - ii. *theft of data* from *computer systems*, or;
denial of service attacks against Internet sites or computers, or
 - c. the failure to prevent transmission of *malicious code* from *computer systems* to third party computers and systems.
5. any one or more of the following acts committed in the course of the *named insured's* performance of *professional services, media activities* or *technology based services*;



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- a. defamation, libel, slander, product disparagement, trade libel, prima facie tort, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
- b. Invasion of or interference with the right to privacy or of publicity;
- c. Misappropriation of any name or likeness for commercial advantage;
- d. False arrest, detention or imprisonment or malicious prosecution;
- e. Invasion of or interference with any right to private occupancy, including trespass, wrongful entry, eviction or eavesdropping;
- f. Plagiarism, piracy or misappropriation of ideas under implied contract;
- g. Infringement of copyright;
- h. Infringement of trade dress, domain name, title or slogan, or the dilution or infringement of trademark or service mark;
- i. Negligence regarding the content of any *media communication*, including harm caused through any reliance or failure to rely upon such content; or
- j. Misappropriation of trade secret.

Additionally, in order to be defined to be a *wrongful act* under this definition, the particular *wrongful act* must have been committed on or after the retroactive date specified either in this endorsement or, if nothing is specified in this endorsement, the Policy Declarations, but prior to the end of the *policy period*. If no retroactive date is specified, that means that all *wrongful acts* committed prior to the end of the *policy period* are included within this definition.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 21

Service of Suit Clause

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due under this policy, the Company at the request of the Insured (or reinsured), will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give the Court jurisdiction. All matters which arise will be determined in accordance with the law and practice of the Court. In a suit instituted against any one of them under this contract, the Company agrees to abide by the final decision of the Court or of any Appellate Court in the event of an appeal.

Pursuant to any statute of any state, territory or district of the United States of America which makes a provision, the Company will designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured (or reinsured) or any beneficiary arising out of this contract of insurance (or reinsurance). The officer named below is authorized and directed to accept service of process on behalf of the Company:

Commissioner of Insurance
45 Fremont, 23rd Floor
San Francisco, CA 94105

Having accepted service of process on behalf of the Company, the officer is authorized to mail the process or a true copy to:

Senior Vice President - Claims
Endurance American Specialty Insurance Company
C/O Endurance Specialty Insurance Marketing Corp.
725 South Figueroa Street, Suite 2100
Los Angeles, California 90017



Pastor, Behling & Wheeler, LLC
Endorsement Number: 22

Texas Notice Endorsement

This endorsement, effective 3/18/2010 attaches to and forms a part of Policy Number ECC101006203-01. This endorsement changes the Policy. Please read it carefully.

IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact the Texas Department of Insurance to obtain information on companies, coverages, right or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78712-9104
Fax (512) 475-1771

PREMIUM OR CLAIM DISPUTE:

Should you have a dispute concerning your premium or about a claim, you should contact the (agent), (company) or (agent of the company), first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part of or condition of the policy.

IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or make complaints at:

1-800-252-3439

You may write the Texas Department of Insurance at:

P.O. Box 149104
Austin, Texas 78717-9104
Fax: 1-512-475-1771

**PREMIUM OR CLAIM
DISPUTES**

Should you have a dispute concerning your premium or about a claim, you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**ATTACH THIS NOTE TO
YOUR POLICY**

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede excribir al Departamento de Seguros de Texas al:

P.O. Box 149104
Austin, Texas 78717-9104
Fax: 1-512-475-1771

**DISPUTAS SOBRE PRIMAS O
RECLAMOS**

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

**UNA ESTE AVISO A SU
POLIZA**

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.



Pastor, Behling & Wheeler, LLC
Endorsement Number: 24

This insurance contract is with an insurer not licensed as an admitted carrier to transact insurance in this state and is issued and delivered as surplus line coverage pursuant to the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and this insurer is not a member of the property and casualty insurance guaranty association created under Article 21.28-C, Insurance Code. Article 1.14-2, Insurance Code, requires payment of 4.85 per cent tax on gross premium.

Special Multi-Flex

POLICY

From The Hartford



This SPECIAL MULTI-FLEX POLICY is provided by the stock insurance company(s) of The Hartford Insurance Group, shown below.

COMMON POLICY DECLARATIONS



POLICY NUMBER: 10 UEC AF6460 DW

RENEWAL OF: 13 UEC AF6460

Named Insured and Mailing Address:
(No., Street, Town, State, Zip Code)

PASTOR, BEHLING & WHEELER, LLC

2201 DOUBLE CREEK DR. STE 4004
ROUND ROCK , TX 78664
(WILLIAMSON COUNTY)

Policy Period:

From 03/18/10 To 03/18/11

12:01 A.M. , Standard time at your mailing address shown above.

In return for the payment of the premium, and subject to all of the terms of this policy, we agree with you to provide insurance as stated in this policy. The Coverage Parts that are a part of this policy are listed below. The Advance Premium shown may be subject to adjustment.

Total Advance Premium:

Coverage Part and Insurance Company Summary

Advance Premium

COMMERCIAL AUTO
HARTFORD UNDERWRITERS INSURANCE COMPANY
HARTFORD PLAZA
HARTFORD, CONNECTICUT 06115

TEXAS ATPA FEE

Form Numbers of Coverage Parts, Forms and Endorsements that are a part of this policy and that are not listed in the Coverage Parts.

HM0001 IL00171198 IH99400409 IH99410409 IL00210908 HA00250204

Agent/Broker Name: FRENKEL & COMPANY INC/PHS

Countersigned by
(Where required by law)

Frustino R. Gars

Authorized Representative

02/01/10
Date

Form HM 00 10 01 07



COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

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E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

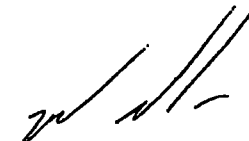
Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Our President and Secretary have signed this policy. Where required by law, the Declarations page has also been countersigned by our duly authorized representative.



Donald C. Hunt, Secretary



Juan Andrade, President



U.S. DEPARTMENT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by the United States. **Please read this Notice carefully.**

The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction. OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals and Blocked Persons" or "SDNs". Their assets are blocked and U.S. persons are generally prohibited from dealing with them. This list can be located on OFAC's web site at – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is an SDN, as identified by OFAC, the policy is a blocked contract and all dealings with it must involve OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.



Named Insured: PASTOR, BEHLING & WHEELER, LLC

Policy Number: 10 UEC AF6460

Effective Date: 03/18/10

Expiration Date: 03/18/11

Company Name: FRENKEL & COMPANY INC/PHS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".



"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.



Quick Reference
Commercial Auto Coverage Part
Business Auto Coverage Form

READ YOUR POLICY CAREFULLY

BUSINESS AUTO COVERAGE FORM
DECLARATIONS

- o Named Insured And Address
- o Coverages, Covered Autos And Limits Of Insurance
- o Rating Exposures, Rates And Estimated Premium

BUSINESS AUTO COVERAGE FORM

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**COMMERCIAL AUTOMOBILE
COVERAGE PART - DECLARATIONS
BUSINESS AUTO COVERAGE FORM**



POLICY NUMBER: 10 UEC AF6460

This COMMERCIAL AUTOMOBILE COVERAGE PART consists of:

- A. This Declarations Form;
- B. Business Auto Coverage Form; and
- C. Any Endorsements issued to be a part of this Coverage Form and listed below.

ITEM ONE - NAMED INSURED AND ADDRESS

The Named Insured is stated on the Common Policy Declarations.

ADVANCE PREMIUM: \$ 

AUDIT PERIOD:

Except in this Declarations, when we use the word "Declarations" in this Coverage Part, we mean this "Declarations" or the "Common Policy Declarations."

Form Numbers of Coverage Forms, Endorsements and Schedules that are part of this Coverage Part:

HA00040302	HA00121102T	CA00011001	HA21020692	CA22640708
CA99030306	CA21090604	CA01960306	CA99441293	CA99951201
HA00241290	HA99081290	HA99130187	HA99160706	HA99250805
HA99260406	IH12011185			

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**COMMERCIAL AUTOMOBILE
COVERAGE PART - DECLARATIONS
BUSINESS AUTO COVERAGE FORM (Continued)**

POLICY NUMBER: 10 UEC AF6460

ITEM TWO - SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only those coverages where a charge is shown in the advance premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Autos	Limit The Most We Will Pay for Any One Accident or Loss	Advance Premium
LIABILITY	█	\$ 1,000,000	\$ █
PERSONAL INJURY PROTECTION (or equivalent No-Fault coverage)	█	Separately stated in each Personal Injury Protection Endorsement.	\$ █
ADDED PERSONAL INJURY PROTECTION (or equivalent added No-Fault coverage)		Separately stated in each Added Personal Injury Protection Endorsement.	
OPTIONAL BASIC ECONOMIC LOSS (New York only)		\$25,000 each eligible injured person.	
PROPERTY PROTECTION INSURANCE (Michigan only)		Separately stated in the Property Protection Insurance Endorsement.	
MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia only)		Separately stated in the Medical Expense and Income Loss Benefits Endorsement.	
AUTO MEDICAL PAYMENTS	█	\$ or the limit separately stated for each "auto" in ITEM THREE.	\$ █
UNINSURED MOTORISTS	█	\$ SEE FORM HA2102 OR STATE FORM(S)	\$ █
UNDERINSURED MOTORISTS (When not included in Uninsured Motorist Coverage)		\$	

COMMERCIAL AUTOMOBILE
COVERAGE PART - DECLARATIONS
BUSINESS AUTO COVERAGE FORM (Continued)

POLICY NUMBER: 10 UEC AF6460

ITEM TWO - SCHEDULE OF COVERAGES AND COVERED AUTOS (Continued)

Coverages	Covered Autos	Limit The Most We Will Pay for Any One Accident or Loss	Advance Premium
PHYSICAL DAMAGE		See ITEM FOUR for hired or borrowed "autos".	
COMPREHENSIVE COVERAGE	█	Actual Cash Value, Cost of Repair, or the Stated Amount shown in ITEM THREE, whichever is smallest, minus any deductible shown in ITEM THREE for each covered "auto".	\$ █
SPECIFIED CAUSES OF LOSS COVERAGE		Actual Cash Value, Cost of Repair, or the Stated Amount shown in ITEM THREE, whichever is smallest, minus \$ deductible for each covered "auto" for "loss" caused by mischief or vandalism.	
COLLISION COVERAGE	█	Actual Cash Value, Cost of Repair, or the Stated Amount shown in ITEM THREE, whichever is smallest, minus any deductible shown in ITEM THREE for each covered "auto".	\$ █
TOWING AND LABOR		\$ or the amount separately stated for each "auto" in ITEM THREE, whichever is greater, for each disablement.	
Endorsement Premium (Not included above)			
TOTAL ADVANCE PREMIUM:			\$ █

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**COMMERCIAL AUTOMOBILE
COVERAGE PART - DECLARATIONS
BUSINESS AUTO COVERAGE FORM (Continued)**

POLICY NUMBER: 10 UEC AF6460

ITEM THREE - SCHEDULE OF COVERED AUTOS YOU OWN

Applicable only if "Schedule of Covered Autos You Own" is issued to form a part of this Coverage Form.
FORM HA0012 ATTACHED

ITEM FOUR - SCHEDULE OF HIRED OR BORROWED AUTO COVERAGE AND PREMIUMS

LIABILITY COVERAGE

RATING BASIS IS COST OF HIRE. Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

State	Estimated Cost of Hire IF ANY	Rate Per Each \$100 Cost of Hire [REDACTED]	Advance Premium \$ [REDACTED]
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TOTAL ADVANCE PREMIUM: \$ [REDACTED]

ITEM FIVE - SCHEDULE FOR NON-OWNERSHIP LIABILITY

Named Insured's Business	Rating Basis	Number	Advance Premium
Other than a Social Service Agency	Number of Employees Number of Partners	[REDACTED]	\$ [REDACTED]
Social Service Agency	Number of Employees Number of Volunteers		

TOTAL ADVANCE PREMIUM: \$ [REDACTED]

BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-Fault	Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Nonowned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

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B. Owned Autos You Acquire After The Policy Begins

1. If Symbols 1, 2, 3, 4, 5 or 6 are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol 7 is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II – LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "auto". This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
 - (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
 - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
 - (5) A partner (if you are a partnership), or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

In addition to the Limit of Insurance, we will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

b. Out-Of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraphs a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.

- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.

- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage Endorsement, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

SECTION III – PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

b. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

- (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.
 3. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:
 - a. Wear and tear, freezing, mechanical or electrical breakdown.
 - b. Blowouts, punctures or other road damage to tires.
 4. We will not pay for "loss" to any of the following:
 - a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - b. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
 - c. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
 - d. Any accessories used with the electronic equipment described in Paragraph c. above.

Exclusions 4.c. and 4.d. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
- b. Any other electronic equipment that is:
 - (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
 - (2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.
- 5. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limit Of Insurance

- 1. The most we will pay for "loss" in any one "accident" is the lesser of:
 - a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
- 2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
- 3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV – BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;
 - (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
 - (4) Authorize us to obtain medical records or other pertinent information.

- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:
 - (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
 - (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
 - (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
 - (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment – Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee – Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere in the world if:
- (1) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
 - (2) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V - DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means a land motor vehicle, "trailer" or semi-trailer designed for travel on public roads but does not include "mobile equipment".
- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:
1. Any request, demand, order or statutory or regulatory requirement; or
 2. Any claim or "suit" by or on behalf of a governmental authority demanding
- that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- "Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
- (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured";
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

(1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

(2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract" means:

1. A lease of premises;

2. A sidetrack agreement;

3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;

6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or

b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

J. "Loss" means direct and accidental loss or damage.



K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers.
5. Vehicles not described in Paragraphs 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
6. Vehicles not described in Paragraphs 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;

b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

M. "Property damage" means damage to or loss of use of tangible property.

N. "Suit" means a civil proceeding in which:

1. Damages because of "bodily injury" or "property damage"; or
2. A "covered pollution cost or expense", to which this insurance applies, are alleged.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

P. "Trailer" includes semitrailer.

POLICY NUMBER: 10 UEC AF6460



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF LIMITS UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	
Named Insured	Countersigned by

(Authorized Representative)

The Limit shown in ITEM TWO of the Declarations for Uninsured Motorists Coverage and for Underinsured Motorists Coverage (when not included in Uninsured Motorists Coverage) is replaced by the limits shown below for the state indicated.

SCHEDULE

COVERAGE	LIMIT		STATE
UNINSURED MOTORISTS	\$ 1,000,000 each "accident"		TX
	\$,000 each "accident"		
	\$,000 each "accident"		
	\$,000 each "accident"		
	\$,000 each "accident"		
	\$,000 each "accident"		
UNDERINSURED MOTORISTS (when not included in Uninsured Motorists Coverage)	\$,000 each "accident"		
	\$,000 each "accident"		
	\$,000 each "accident"		
	\$,000 each "accident"		
	\$,000 each "accident"		
	\$,000 each "accident"		

The state limit shown above completes the limit entry required on the endorsement(s) applicable in the same state.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TEXAS PERSONAL INJURY PROTECTION
ENDORSEMENT**

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Texas, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

SEE SCHEDULE

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

SCHEDULE

Limit Of Insurance (Each Insured)	Premium
\$	\$
\$	\$
\$	\$
\$	\$

Description Of Covered Autos (check appropriate box):

<input type="checkbox"/>	Any "auto" owned by you.
<input type="checkbox"/>	Any private passenger "auto" owned by you.
<input type="checkbox"/>	Any motor vehicle to which are attached dealer's license plates issued to you.
<input type="checkbox"/>	Any motor vehicle designated in the Declarations of the policy by the letters P.I.P. and a motor vehicle ownership of which is acquired during the policy period by you as a replacement therefor.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Coverage

We will pay Personal Injury Protection benefits because of "bodily injury" resulting from a motor vehicle "accident" and sustained by a person "insured". Our payment will only be for "losses" or expenses incurred within three years from the date of the "accident".

Personal Injury Protection benefits consist of:

1. Necessary expenses for medical and funeral services.

2. 80% of an "insured's" loss of income from employment. These benefits apply only if, at the time of the "accident", the "insured":
 - a. Was an income producer; and
 - b. Was in an occupational status.

These benefits do not apply to any "loss" after the "insured" dies.

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Loss of income is the difference between:

- a. Income which would have been earned had the "insured" not been injured; and
- b. The amount of income actually received from employment during the period of disability.

If the income being earned as of the date of the "accident" is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (not more than 12 months) preceding the "accident" shall be used.

3. Reasonable expenses incurred for obtaining services. These services must replace those an "insured" would normally have performed:

- a. Without pay;
- b. During a period of disability; and
- c. For the care and maintenance of the family or household.

These benefits apply only if, at the time of the "accident", the "insured":

- a. Was not an income producer; and
- b. Was not in an occupational status.

These benefits do not apply to any "loss" after the "insured" dies.

B. Who Is An Insured

1. You or any "family member" while "occupying" or when struck by any "auto".
2. Anyone else "occupying" a "covered auto" with your permission.

C. Exclusions

We will not provide Personal Injury Protection Coverage for any person for "bodily injury" sustained:

1. In an "accident" caused intentionally by that person.
2. By that person while in the commission of a felony.
3. By that person while attempting to elude arrest by a law enforcement official.
4. While "occupying" or when struck by, any motor vehicle (other than a "covered auto") which is owned by you.
5. By a "family member" while "occupying" or when struck by any motor vehicle (other than a "covered auto") which is owned by a "family member".

D. Limit Of Insurance

Regardless of the number of owned "covered autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" in any one "accident" is the limit of Personal Injury Protection shown in the Schedule or in the Declarations.

E. Changes In Conditions

1. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us Condition**:

However, our rights only apply against a person causing or contributing to the "accident" if, on the date of the "loss", the minimum limits required by Texas law have not been established for a motor vehicle involved in the "accident" and operated by that person.

2. The reference in the **Other Insurance Condition** in the Business Auto and Garage Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions Condition** in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" is replaced by the following:

If there is other Personal Injury Protection Insurance, we will pay only our share. Our share is the proportion that our Limit Of Insurance bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible Personal Injury Protection Insurance.

3. The following Conditions are added:

a. Payment Provision

Loss Payments. Benefits are payable:

- (1) Not more frequently than every two weeks; and
- (2) Within 30 days after satisfactory proof of claim is received.

b. Assignment Of Benefits

Payments for medical benefits will be paid directly to a physician or other health care provider if we receive a written assignment signed by the covered person to whom such benefits are payable.

F. Additional Definitions

The following are added to the **Definitions Section** and have special meaning for Personal Injury Protection:

1. "Covered auto" means an "auto":
 - a. Owned or leased by you; or

- b.** While temporarily used as a substitute for an owned "covered auto" that has been withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction.

Liability coverage of this policy must apply to the "covered auto".

"Covered auto" includes "autos" (described in Paragraphs **a.** and **b.** above) for which Personal Injury Protection coverage has not been rejected in writing.

- 2.** "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
- 3.** "Occupying" means in, upon, getting in, on, out or off.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Coverage

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident". We will pay only those expenses incurred, for services rendered within three years from the date of the "accident".

B. Who Is An Insured

1. You while "occupying" or, while a pedestrian, when struck by any "auto".
2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto".
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. Exclusions

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.

3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member".
4. "Bodily injury" to your "employee" arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic "employees" if not entitled to workers' compensation benefits. For the purposes of this endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.
5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

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7. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.
8. "Bodily Injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

D. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the Limit Of Insurance for Auto Medical Payments Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

E. Changes In Conditions

The Conditions are changed for Auto Medical Payments Coverage as follows:

1. The Transfer Of Rights Of Recovery Against Others To Us Condition does not apply.
2. The reference in Other Insurance in the Business Auto and Garage Coverage Forms and Other Insurance – Primary And Excess Insurance Provisions in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" applies only to other collectible auto medical payments insurance.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS UNINSURED/UNDERINSURED MOTORISTS COVERAGE

For a "covered auto" licensed or principally garaged in, or "garage operations" conducted in, Texas, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	Countersigned By: (Authorized Representative)
Named Insured:	

SCHEDULE

Limit Of Insurance

\$

Each "Accident"

Designated Person:**Description Of "Covered Autos" (check appropriate box)**

- ☐ Any "auto" owned by the Named Insured
- ☐ Any private passenger "auto" owned by the Named Insured
- ☐ Any "auto" to which are attached dealer's license plates issued to the Named Insured
- ☐ Any "auto" designated in the Declarations of the policy [by the letters "UM/UIM"] and an "auto" ownership of which is acquired during the policy period by the Named Insured as a replacement therefor
- ☐

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

SEE SCHEDULE

A. Coverage

1. We will pay damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury" sustained by an "insured", or "property damage" caused by an "accident". The owners or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".
2. With respect to damages resulting from an "accident" with a vehicle described in Paragraph d. of the definition of "uninsured motor vehicle", we will pay under this coverage only if a. or b. below applies:
 - a. The limit of any applicable liability bonds or policies have been exhausted by payment of judgments or settlements; or
 - b. A tentative settlement has been made between an "insured" and the insurer of the vehicle described in Paragraph d. of the definition of "uninsured motor vehicle" and we:
 - (1) Have been given prompt written notice of such tentative settlement; and
 - (2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us. If we and the Named Insured do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue will be on us.

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are insureds:
 - a. The Named Insured and any "designated person" and any "family member" of either.
 - b. Any other person "occupying" a "covered auto".
 - c. Any person or organization for damages that person or organization is entitled to recover because of "bodily injury" sustained by a person described in a. or b. above.
2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
 - a. The Named Insured for "property damage" only.

- b. Any "designated person" and any "family member" of such person.
- c. Any person "occupying" a "covered auto".
- d. Any person or organization for damages that person or organization is entitled to recover because of "bodily injury" sustained by a person described in b. or c. above.

C. Exclusions

1. We do not provide Uninsured/Underinsured Motorists Insurance:
 - a. For "bodily injury" sustained by:
 - (1) An Individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a "covered auto" for Uninsured/Underinsured Motorists Coverage under this Coverage Form;
 - (2) Any "designated person" while "occupying" or when struck by any vehicle owned by that "designated person" that is not a "covered auto" for Uninsured/Underinsured Motorists Coverage under this coverage form;
 - (3) Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a "covered auto" for Uninsured/Underinsured Motorists Coverage under this Coverage Form; or
 - (4) Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Uninsured/Underinsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
 - b. For any claim settled without our consent. However, this exclusion does not apply to a settlement made with the insurer of an owner or operator of a vehicle described in Paragraph d. of the definition of "uninsured motor vehicle" in accordance with the procedure described in Paragraph A.2.b.
 - c. For any person for the first \$250 of the amount of damage to the property of that person as the result of any one "accident".
 - d. For the use of a vehicle without a reasonable belief that the person using the vehicle is entitled to do so. This exclusion does not apply to an Individual Named Insured, any "designated person" or a "family member" of either while using a "covered auto".

- e. For any person for "bodily injury" or "property damage" resulting from the intentional acts of that person.
- 2. This coverage shall not apply directly or indirectly to benefit:
 - a. Any insurer or self-insurer under any workers' compensation, disability or similar law.
 - b. Any insurer of property.

D. Limit Of Insurance

1. Regardless of the number of "covered autos", "insureds", policies or bonds applicable, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the limit of Uninsured/Underinsured Motorists Coverage shown in the Schedule or Declarations. Subject to this maximum, our limit of liability will be the lesser of:
 - a. The difference between the amount of a covered "insured's" damages for "bodily injury" or "property damage" and the amount paid or payable to that covered "insured" for such damages, by or on behalf of persons or organizations who may be legally responsible; or
 - b. The applicable limit of liability for this coverage.
2. In order to avoid insurance benefits payments in excess of actual damages sustained, subject to only the limits set out in the Schedule or Declarations and other applicable provisions of this coverage, we will pay all covered damages not paid or payable under any:
 - a. Workers' compensation, disability benefits or similar law;
 - b. Automobile Medical Payments coverage; or
 - c. Personal Injury Protection coverage.
3. Any payment under this coverage to or for an "insured" will reduce any amount that "insured" is entitled to recover for the same damages under this policy's Liability Coverage.
4. **Special Provisions For Property Damage**

Any "property damage" "loss" to which the Physical Damage Coverage of this policy (or similar coverage from another policy) and this coverage both apply, the Named Insured may choose the coverage from which damages will be paid. Such Named Insured may recover under both coverages, but only if:

 - a. Neither one by itself is sufficient to cover the "loss";

- b. The Named Insured pays the higher deductible amount (but the Named Insured does not have to pay both deductibles); and
- c. The Named Insured will not recover more than the actual damages.

E. Changes In Conditions

The Conditions of the policy are changed for Uninsured/Underinsured Motorists Insurance as follows:

1. The reference in **Other Insurance Condition** in the Business Auto and Garage Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions Condition** in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" is replaced by the following:

If there is other applicable similar insurance, we will pay only our share of the "loss". Our share is the proportion that our Limit of Insurance bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible insurance.

2. **Duties In The Event Of Accident, Claim, Suit Or Loss** is changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved.
 - b. Promptly send us copies of the legal papers if a "suit" is brought.
 - c. Take reasonable steps after "loss" to protect the "covered auto" and its equipment from further "loss". We will pay all reasonable expenses incurred to do this.
 - d. Permit us to inspect and appraise the damaged property before its repair or disposal.
 - e. Promptly notify us in writing of a tentative settlement between an "insured" and the insurer of the vehicle described in Paragraph d. of the definition of "uninsured motor vehicle" and allow us 30 days to advance payment to that "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such vehicle.
3. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

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Our rights under this provision, do not apply with respect to a tentative settlement between an "insured" and the insurer of an owner or operator of a vehicle described in Paragraph d. of the definition of "uninsured motor vehicle"; if we:

- a. Have been given written notice of a tentative settlement between the "insured" and the insurer of the "uninsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount an "insured" is entitled to recover under the provisions of Uninsured/Underinsured Motorists Coverage, and
- b. We also have the right to recover the advanced payment.

4. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding. However, at any time prior to the arbitrators' decision, either party may revoke the agreement to arbitrate the matter.

F. Additional Definitions

The following are added to the Definitions Section and have special meaning for Uninsured/Underinsured Motorists Insurance:

1. "Covered auto" means an "auto";
 - a. Owned or leased by the Named Insured; or
 - b. While temporarily used as a substitute for an owned "covered auto" that has been withdrawn from normal use because of its breakdown, repair, servicing, "loss" or destruction.

Liability coverage of this policy must apply to the "covered auto".

"Covered auto" includes "autos" (described in a. or b. above) for which Uninsured/Underinsured Motorists Insurance has not been rejected in writing.

2. "Designated person" means an individual named in the Schedule. By such designation, that person has the same coverage as an Individual Named Insured.
3. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.
4. "Occupying" means in, upon, getting in, on, out or off.
5. "Property damage" means injury to or "loss" of use or destruction of:
 - a. A "covered auto";
 - b. Property owned by the Named Insured, a "designated person" or any "family member" of either an Individual Named Insured or "designated person" while contained in a "covered auto";
 - c. Property owned by any other person "occupying" the "covered auto" while contained in the "covered auto"; and
 - d. Any property owned by the Named Insured, a "designated person" or "family member" of either an individual Named Insured or "designated person" while contained in any "auto" not owned, but being operated by such Individual Named Insured, a "designated person" or any family member of either the Individual Named Insured or "designated person".

6. "Uninsured motor vehicle" means a land motor vehicle or "trailer" of any type:

- a. To which no liability bond or policy applies at the time of the "accident";
- b. Which is a hit-and-run vehicle whose operator or owner cannot be identified. The vehicle must hit an "insured", a "covered auto" or a vehicle an "insured" is "occupying".
- c. To which a liability bond or policy applies at the time of the "accident", but the bonding or insuring company denies coverage or is or becomes insolvent.
- d. Which is an underinsured motor vehicle. An underinsured motor vehicle is one to which a liability bond or policy applies at the time of the accident but its limit of liability either:
 - (1) Is not enough to pay the full amount the covered "insured" is legally entitled to recover as damages; or
 - (2) Has been reduced by payment of claims to an amount which is not enough to pay the full amount the covered "insured" is legally entitled to recover as damages.

However "uninsured motor vehicle" does not include any vehicle or equipment:

- a. Owned by or furnished or available for the regular use of the Named Insured, a "designated person" or a "family member" of either an Individual Named Insured or the "designated person";
- b. Owned or operated by a self-insurer under an applicable motor vehicle law;
- c. Owned by any governmental body unless the operator of the vehicle is uninsured and there is no statute imposing liability for damage because of "bodily injury" or "property damage" on the governmental body for an amount not less than the Limit of Insurance for this coverage;
- d. Operated on rails or crawler treads;
- e. Designed mainly for use off public roads while not on public roads; and
- f. While located for use as a residence or premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

For a covered "auto" licensed or principally garaged in Texas, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Physical Damage Coverage

1. The following exclusion is added to Paragraph **B. Exclusions in the Physical Damage Coverage Section**:

We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

2. Paragraphs **C.2.** and **C.3.** of the Limit Of Insurance Provision under **Physical Damage Coverage** do not apply.

3. Paragraph **D. Deductible** in the **Physical Damage Coverage Section** is amended by the addition of the following:

At the mutual agreement of you and us, we will not apply the deductible to "loss" to glass, if the glass is repaired rather than replaced.

B. Changes In Conditions

The following Condition is added:

CLAIM HANDLING PROCEDURES

1. Within 15 days after we receive written notice of claim, we will:
 - a. Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
 - b. Begin any investigation of the claim; and
 - c. Specify the information you must provide in accordance with Paragraph **b.** of the Duties Condition.

We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

2. After we receive the information we request, we will notify you in writing as to whether:
 - a. The claim will be paid;
 - b. The claim has been denied, and inform you of the reasons for denial;
 - c. More information is necessary; or
 - d. We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in 2.a through 2.d. above, within:

- a. 15 "business days"; or
- b. 30 days if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

3. If a claim results from a weather related catastrophe or a major natural disaster as defined by the Texas Department of Insurance, the claim handling deadlines described above are extended for an additional 15 days.
4. If we notify you that we will pay your claim, or part of your claim, we will pay within 5 "business days" after we notify you.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms under this policy, we will make payment within 5 "business days" after the date you have complied with such terms.

5. We will notify you in writing of:

- a. An initial offer to compromise or settle a claim made or "suit" brought against any insured under the Liability Coverage Section of this policy. The notice will be given no later than the 10th day after the date on which the offer is made.
- b. Any settlement of a claim made or "suit" brought against the "insured" under the Liability Coverage Section of this policy. The notice will be given not later than the 30th day after the date of settlement.

As used in this Condition, business day means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

C. Changes In Uninsured/Underinsured Motorists Coverage

All references to "Uninsured Motorists Coverage" in the title or text of any coverage form or endorsement thereto are changed to read "Uninsured/Underinsured Motorists Coverage".

D. Changes In Trailer Interchange Coverage

The following exclusion is added to Paragraph B.1. Exclusions of Section III – Trailer Interchange Coverage in the Motor Carrier and Truckers Coverage Forms:

We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss":

TEXAS CONTROLLED SUBSTANCE ACT

We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A. We will pay, as interest may appear, you and the loss payee named in the policy for "loss" to a covered "auto".
- B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.
- C. We may cancel the policy as allowed by the CANCELLATION Common Policy Condition.

Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

- D. If we make any payments to the loss payee, we will obtain his or her rights against any other party.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS SUPPLEMENTARY DEATH BENEFIT

This endorsement modifies insurance provided under the following:

MEDICAL PAYMENTS COVERAGE
PERSONAL INJURY PROTECTION COVERAGE

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	Countersigned By: (Authorized Representative)
Named Insured:	

A. COVERAGE

We will pay under the provisions of personal injury protection insurance and/or medical payments insurance as afforded by this policy except as limited by this endorsement.

We will pay a supplementary death benefit equal to the limit shown for the coverages but not exceeding ten thousand dollars (\$10,000) per person because of death:

1. Caused by an "auto" "accident"; and
2. Sustained by an "insured" while wearing a "seat belt" or protected by an "airbag".

We will pay the benefit if death from an "auto" "accident" occurs within three years of the date of such "accident".

B. PROOF OF CLAIM FOR DEATH BENEFIT

The "beneficiary" must furnish us with proof of death of the "insured", accompanied by a police report or other suitable proof, that the "insured" at the time of the "auto" "accident" was wearing a "seat belt" or protected by an "air bag".

C. OTHER INSURANCE

Any amounts payable under the supplementary death benefit shall not be reduced by any other amounts paid or payable under this policy.

D. ADDITIONAL DEFINITIONS

The following are added to the **Definitions** Section and have special meaning for Supplementary Death Benefit:

1. "Insured" as used in this endorsement means the same persons who are covered under auto medical payments insurance, personal injury protection insurance, and/or garage auto medical payments.
2. "Seat Belt" means manual or automatic safety belts or seat and shoulder restraints or a child restraint device.
3. "Airbag" is a functioning airbag designed to protect the occupant of a seat in an "auto".
4. "Beneficiary" means (in order of priority of payment):
 - a. The surviving spouse if a resident in the same household as the deceased at the time of the "accident", or
 - b. If the deceased is an unmarried minor, either of the surviving parents who had legal custody at the time of the "accident", or
 - c. The estate of the deceased.





THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES IN HIRED CAR PHYSICAL DAMAGE - LIMIT OF INSURANCE

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM
TRUCKERS ENDORSEMENT**

- A. The BUSINESS AUTO COVERAGE FORM is changed as follows:**
- 1. PHYSICAL DAMAGE COVERAGE for covered "autos" you hire or borrow is excess unless primary physical damage coverage for such autos is specifically provided in the policy Declarations**
 - 2. Paragraph b. of the OTHER INSURANCE Condition does not apply to Hired Auto Physical Damage Coverage.**
- B. The GARAGE COVERAGE FORM is changed as follows:**
- 1. PHYSICAL DAMAGE COVERAGE for covered "autos" you hire or borrow is excess unless primary physical damage coverage for such autos is specifically provided in the policy Declarations.**
 - 2. Paragraph b. of the OTHER INSURANCE Condition regarding Hired Auto Physical Damage Coverage does not apply**
- C. The TRUCKERS COVERAGE FORM is changed as follows:**
- 1. PHYSICAL DAMAGE COVERAGE for covered "autos" you hire or borrow is excess unless primary physical damage coverage for such autos is specifically provided in the policy Declarations.**
 - 2. Paragraph d. of the OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE Condition regarding Hired Auto Physical Damage does not apply.**
- D. The TRUCKERS ENDORSEMENT is changed as follows:**
- 1. PHYSICAL DAMAGE COVERAGE for covered "autos" you hire or borrow is excess unless primary physical damage coverage for such autos is specifically provided in the policy Declarations.**
 - 2. Paragraph d. of the OTHER INSURANCE Condition regarding Hired Auto Physical Damage Coverage does not apply.**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTION LIABILITY COVERAGE PRIVATE PASSENGER TYPE AUTOS

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM**

Section I

- A. The **BUSINESS AUTO COVERAGE FORM** is changed as follows:

For **LIABILITY COVERAGE** for "private passenger type autos", paragraph **a.** of the **POLLUTION EXCLUSION** applies only to liability assumed under a contract or agreement.

- B. The **TRUCKERS COVERAGE FORM** is changed as follows:

For **LIABILITY COVERAGE** for "private passenger type autos", paragraph **a.** of the **POLLUTION EXCLUSION** applies only to liability assumed under a contract or agreement.

- C. The **GARAGE COVERAGE FORM** is changed as follows:

For **LIABILITY COVERAGE** for "private passenger type autos", paragraph **a.** of the **POLLUTION EXCLUSION APPLICABLE TO "GARAGE OPERATIONS" - COVERED "AUTOS"** applies only to liability assumed under a contract or agreement.

Section II

The following is added to the **DEFINITIONS** Section:

"Private passenger type auto" means a private passenger or station wagon type "auto" and includes an "auto" of the pick-up or van type if not used for business purposes. If you are an individual, business purposes does not include farming or ranching.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED AND RIGHTS OF RECOVERY AGAINST OTHERS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

- A. Any person or organization whom you are required by contract to name as additional insured is an "insured" for LIABILITY COVERAGE but only to the extent that person or organization qualifies as an "insured" under the WHO IS AN INSURED provision of Section II - LIABILITY COVERAGE.
- B. For any person or organization for whom you are required by contract to provide a waiver of subrogation, the Loss Condition - TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is applicable.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

1. BROAD FORM INSURED

A. Subsidiaries and Newly Acquired or Formed Organizations

The Named Insured shown in the Declarations is amended to include:

- (1) Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
 - (a) That is a partnership, joint venture or limited liability company
 - (b) That is an "insured" under any other policy,
 - (c) That has exhausted its Limit of Insurance under any other policy, or
 - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

B. Employees as Insureds

Paragraph A.1. - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

C. Lessors as Insureds

Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
 - (1) The agreement requires you to provide direct primary insurance for the lessor and
 - (2) The "auto" is leased without a driver.

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.

2. AUTOS RENTED BY EMPLOYEES

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

The OTHER INSURANCE Condition is amended by adding the following:

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.



3. AMENDED FELLOW EMPLOYEE EXCLUSION

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

4. HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$50,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

5. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provided a limit of \$50 per day and a maximum limit of \$1,000.

6. LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, if a long-term leased "auto" is a covered "auto" and the lessor is named in the policy as a Loss Payee, we will pay in the event of a total "loss" your additional legal obligation to the lessor for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the lease.

"Outstanding balance" means the amount you owe on the lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees.

7. AIRBAG COVERAGE

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

8. ELECTRONIC EQUIPMENT - BROADENED COVERAGE

The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

Exclusions 4.c. and 4.d. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
- b. Electronic equipment that is necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
- c. Electronic equipment that is an integral part of the same unit housing any sound reproducing equipment described in Paragraph a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

d. Any other electronic equipment that receives or transmits audio, visual or data signals if such equipment:

- (1) is permanently installed in a covered "auto" at the time of the "loss"; and
- (2) is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; and
- (3) was initially installed or is a replacement of equipment that was initially installed by the auto manufacturer or dealer before the covered "auto" was delivered to the original purchaser; and
- (4) the value of the equipment was included in the retail cost the original purchaser paid for the covered "auto".

9. EXTRA EXPENSE - BROADENED COVERAGE

Under Paragraph A. - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

10. GLASS REPAIR - WAIVER OF DEDUCTIBLE

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

11. TWO OR MORE DEDUCTIBLES

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

If another Hartford Financial Services Group, Inc. company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies:

- (1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived;
- (2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The requirement in LOSS CONDITIONS 2.a. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to:

- (1) You, if you are an individual;

(2) A partner, if you are a partnership;

(3) A member, if you are a limited liability company; or

(4) An executive officer or insurance manager, if you are a corporation.

13. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure.

14. HIRED AUTO - COVERAGE TERRITORY

Paragraph e. of GENERAL CONDITIONS 7. - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following:

e. For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

15. WAIVER OF SUBROGATION

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following:

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form.

16. RESULTANT MENTAL ANGUISH COVERAGE

The definition of "bodily injury" in SECTION V - DEFINITIONS is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these.

17. EXTENDED CANCELLATION CONDITION

Paragraph 2. of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MEXICO COVERAGE - LIMITED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

WARNING

AUTO ACCIDENTS IN MEXICO ARE SUBJECT TO THE LAWS OF MEXICO ONLY – NOT THE LAWS OF THE UNITED STATES OF AMERICA. THE REPUBLIC OF MEXICO CONSIDERS ANY AUTO ACCIDENT A CRIMINAL OFFENSE AS WELL AS A CIVIL MATTER.

IN SOME CASES THE COVERAGE PROVIDED UNDER THIS ENDORSEMENT MAY NOT BE RECOGNIZED BY THE MEXICAN AUTHORITIES AND WE MAY NOT BE ALLOWED TO IMPLEMENT THIS COVERAGE AT ALL IN MEXICO. YOU SHOULD CONSIDER PURCHASING AUTO COVERAGE FROM A LICENSED MEXICAN INSURANCE COMPANY BEFORE DRIVING INTO MEXICO.

THIS ENDORSEMENT DOES NOT APPLY TO ACCIDENTS OR LOSSES WHICH OCCUR OUTSIDE OF 25 MILES FROM THE BOUNDARY OF THE UNITED STATES OF AMERICA.

A. Coverage

1. Paragraph 7. **Policy Period, Coverage Territory** of the **General Conditions** is amended by the addition of the following:

The coverage territory is extended to include Mexico but only for:

- a. "Accidents" or "losses" occurring within 25 miles of the United States border; and
 - b. Trips into Mexico of 10 days or less.
2. The **Other Insurance** Condition in the Business Auto, Business Auto Physical Damage and Garage Coverage Forms and the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Truckers and Motor Carrier Coverage Forms is replaced by the following:

The insurance provided by this endorsement will be excess over any other collectible insurance.

- ### B. Physical Damage Coverage
- is amended by the addition of the following:

If a "loss" to a covered "auto" occurs in Mexico, we will pay for such "loss" in the United States. If the covered "auto" must be repaired in Mexico in order to be driven, we will not pay more than the actual cash value of such "loss" at the nearest United States point where the repairs can be made.

C. Additional Exclusions

The following additional exclusions are added:

This insurance does not apply:

1. If the covered "auto" is not principally garaged and principally used in the United States.
2. To any "insured" who is not a resident of the United States.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Liability Coverage

The War exclusion under Paragraph **B. Exclusions of Section II – Liability Coverage** is replaced by the following:

WAR

"Bodily injury", "property damage" arising directly or indirectly, out of:

- a. War, including undeclared or civil war.
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents.
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

*3500210AF64600101 00850



POLICYHOLDER NOTICE
TEXAS AUTOMOBILE THEFT PREVENTION AUTHORITY FEE

NOTICE: The Automobile Theft Prevention Authority fee is payable in addition to the premium due under this policy. This fee reimburses the insurer, as permitted by 28 TAC Section 5.205, for the \$1.00 fee per motor vehicle year required to be paid to the Automobile Theft Prevention Fund under Texas Civil Statutes, Article 4413(37), Section 10, which became effective on June 6, 1991.

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*3500210AF64600101





IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact your agent who is listed on the Declarations/Information Page of your policy, or on your binder or certificate of insurance.

You may call The Hartford's toll-free telephone number for information or to make a complaint at:

1-800-392-7805

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104

Austin, TX 78714-9104

Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

e-Mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

00853

*3500210AF64600101



ATTACHMENT C

**EFFECTIVE ENVIRONMENTAL, INC.
INSURANCE CERTIFICATE AND POLICIES**

ACORD**CERTIFICATE OF LIABILITY INSURANCE**OP ID SB
EFFEC-2

DATE (MM/DD/YYYY)

10/22/10

PRODUCER

Insurance Alliance
1776 Yorktown, Ste 200
Houston TX 77056
Phone: 713-966-1776 Fax: 713-966-1700

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE
HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Effective Environmental, Inc.
2515 S. Beltline Rd.
Mesquite TX 75181

INSURERS AFFORDING COVERAGE

NAIC

INSURER A: Chartis Specialty Insurance Co

INSURER B: Commerce & Industry Ins Co

19410

INSURER C: Texas Mutual Ins Co

22945

INSURER D: Argonaut Insurance Co

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A X	GENERAL LIABILITY				
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	PROP12427439	09/23/10	03/23/12	EACH OCCURRENCE \$ 1000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300000
	<input checked="" type="checkbox"/> PLL & CPL - CM	PROP12427439	09/23/10	03/23/12	MED EXP (Any one person) \$ 25000
	<input checked="" type="checkbox"/> Professional-CM	PROP12427439	09/23/10	09/23/12	PERSONAL & ADV INJURY \$ 1000000
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				PRODUCTS - COMP/OP AGG \$ 2000000
B X	AUTOMOBILE LIABILITY				
	<input checked="" type="checkbox"/> ANY AUTO	CA7574012	09/23/10	03/23/12	COMBINED SINGLE LIMIT (Ea accident) \$ 1000000
	<input type="checkbox"/> ALL OWNED AUTOS	INCL TRANSPORTATION POLLUT			BODILY INJURY (Per person) \$
	<input type="checkbox"/> SCHEDULED AUTOS	INCL MCS-90 & FORM E FILL	09/23/10	03/23/12	BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	CA7574012	09/23/10	03/23/12	BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS	CA7574012	09/23/10	03/23/12	PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> Hired Car Phys Da	CA7574012	09/23/10	03/23/12	
B	<input checked="" type="checkbox"/> Phys Dam Deductib	\$5,000 COMP & COLL	09/23/10	03/23/12	
	GARAGE LIABILITY				
	<input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$
					OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
A X	EXCESS/UMBRELLA LIABILITY				
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	PROU12435606	09/23/10	03/23/12	EACH OCCURRENCE \$ 9000000
					AGGREGATE \$ 9000000
					\$
	DEDUCTIBLE				\$
	<input checked="" type="checkbox"/> RETENTION \$10000				\$
C D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?	TSF0001136440 - TX	09/23/10	09/23/11	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER \$
	If yes, describe under SPECIAL PROVISIONS below	WC47734828634 - OK	09/23/10	09/23/11	E.L. EACH ACCIDENT \$ 1000000
					E.L. DISEASE - EA EMPLOYEE \$ 1000000
	OTHER				E.L. DISEASE - POLICY LIMIT \$ 1000000
A	Pollution Legal Li	PROP12427439	09/23/10	03/23/12	Poll Lega 1,000,000
A	Contractors Pollut	PROP12427439	09/23/10	03/23/12	Contr Pol 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The Auto Liability & General Liability policies are hereby endorsed as follows: The United States Environmental Protection Agency, Client, Owner and Consultant are Additional Insured and provided Waiver of Subrogation as required by insured's executed written contract with Client. Umbrella follows form of underlying. The United States Environmental - SEE PAGE 3 -

CERTIFICATE HOLDER

PASTO-1

Pastor, Behling & Wheeler, LLC
2001 Double Creek Dr., #4004
Round Rock TX 78664

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Harlan J. Berger

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

NOTEPAD:HOLDER CODE PASTO-1
INSURED'S NAME Effective Environmental, Inc.EFFEC-2
OPID SBPAGE 3
DATE 10/22/10

Protection Agency, the Client and its employees, officers, directors, agents, partners successors, and assigns and Consultant and its employees, officer, directors, agents, partners, successors, and assigns are named as Additional Insured as respects General Liability & Automobile Liability without regard to fault or negligence, in whole or part, of such Additional Insured, as required by executed written contract when Additional Insured is provided primary on General Liability & Automobile Liability and not contributory only on the General Liability. Workers' Compensation policies have been endorsed to provide, Waiver of Subrogation and as evidenced by this Certificate of Insurance, that in the event that the insurance is canceled, reduced, restricted or changed in any way, the company will provide at least thirty (30) days prior written notice to the consultant.

Consultant: Pastor, Behling & Wheeler LLC

Client: Chromally American Corporation and The Dow Chemical Company

Date: 09/28/2010

Policy Number: 757-40-12

Underwriter Name: CHARLES E DIELMANN
Underwriter Region: 0009
Underwriter Branch: 0009
Underwriter Telephone: 214-758-8506

Operator Name: CECELIA WASHINGTON-DUPREE
Operator Telephone: 214-758-8541

Issuing Division: 0073
Policy Effective Date: 09/23/2010
Transaction Type: REN

Set Copy Name: ELECTRONIC COPY

EPS TRACKING-ID: UUF91974300209282010
POLICY NUMBER: 027574012
TABLE EFFECTIVE DATE: 08/24/2010
TABLE WRITTEN DATE: 08/24/2010

CHARLES E DIELMANN
DALLAS
600 N. PEARL STREET
SUITE 700
DALLAS, TX 75201

Re: EFFECTIVE ENVIRONMENTAL, INC.

PRODUCER IS: #0054589

INSURANCE ALLIANCE
1776 YORKTOWN ST
STE 200
HOUSTON, TX 77056-4142

757-40-12

PRODUCER COV LTR

POLICYHOLDER NOTICE

Thank you for purchasing insurance from the Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at www.chartisinsurance.com/producercompensation or by calling 1-800-706-3102.

Policy No. CA 757-40-12
Renewal of No. 7574012



Coverage is provided by
COMMERCE AND INDUSTRY INSURANCE COMPANY
(a capital stock company)

175 Water Street, New York, NY 10038
(212) 458-5000

BUSINESS AUTO DECLARATIONS

ITEM ONE Named Insured & Mailing Address
EFFECTIVE ENVIRONMENTAL, INC.

2515 SOUTH BELT LINE ROAD
MESQUITE, TX 75181

Producer's Name & Mailing Address
INSURANCE ALLIANCE
1776 YORKTOWN ST
STE 200
HOUSTON, TX 77056-4142

FORM OF BUSINESS:

☒ CORPORATION ☐ PARTNERSHIP ☐ LIMITED LIABILITY COMPANY ☐ INDIVIDUAL ☐ OTHER

POLICY PERIOD: From 09/23/2010 to 03/23/2012 at 12:01 A.M. Standard Time at your mailing address.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

POLICY PREMIUM: \$ 107,475

Premium for Terrorism Coverage:
\$1,064 Included In Policy Premium

SCHEDULE OF STATE TAXES, FEES AND SURCHARGES, IF APPLICABLE:*

Texas \$69.00

*State Taxes, Fees and Surcharges shown are in addition to the above referenced Policy Premium.

ENDORSEMENTS ATTACHED TO THIS POLICY:

IL 00 17 - Common Policy Conditions (IL 01 46 in Washington)

IL 00 21 - Broad Form Nuclear Exclusion (Not Applicable in New York)

SEE ATTACHED FORMS SCHEDULE

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORMS, AND FORMS AND ENDORSEMENTS IF ANY ISSUED TO FORM A PART THEREOF COMPLETE THE ABOVE NUMBERED POLICY

ITEM TWO SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS	LIMIT	PREMIUM
LIABILITY	1	\$1,000,000	\$ 80,745
PERSONAL INJURY PROTECTION (or equivalent No-fault Coverage)	7	SEPARATELY STATED IN EACH PERSONAL INJURY PROTECTION ENDORSEMENT MINUS DEDUCTIBLE FOR EACH ACCIDENT	\$ 629
ADDED PERSONAL INJURY PROTECTION (or equivalent added No-fault Coverage)			\$
PROPERTY PROTECTION INSURANCE (Michigan only)		SEPARATELY STATED IN THE PROPERTY PROTECTION INSURANCE ENDORSEMENT MINUS \$ DEDUCTIBLE FOR EACH ACCIDENT.	\$
AUTO MEDICAL PAYMENTS		\$	\$
MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia only)		SEPARATELY STATED IN EACH MEDICAL EXPENSE AND INCOME LOSS BENEFITS ENDORSEMENT.	\$
UNINSURED MOTORISTS	2	SEPARATELY STATED IN EACH UNINSURED MOTORISTS ENDORSEMENT	\$ 6,682
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage)			\$
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	7 8	ACTUAL \$ 5,000 DEDUCTIBLE FOR EACH COVERED AUTO, BUT CASH NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR VALUE OR LIGHTNING. See ITEM FOUR For Hired Or Borrowed "Autos".	\$ 3,159
PHYSICAL DAMAGE SPECIFIED CAUSES OF LOSS COVERAGE		COST OF \$25 DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS REPAIR, CAUSED BY MISCHIEF OR VANDALISM. See ITEM FOUR For WHICHEVER Hired Or Borrowed "Autos".	\$
PHYSICAL DAMAGE COLLISION COVERAGE	7 8	IS LESS, \$ 5,000 DEDUCTIBLE FOR EACH COVERED AUTO. MINUS See ITEM FOUR For Hired Or Borrowed "Autos".	\$ 12,371
PHYSICAL DAMAGE TOWING AND LABOR	3	\$ 50 For Each Disablement Of A Private Passenger "Auto".	\$ 20
PREMIUM FOR ENDORSEMENTS			\$ 3,869
*ESTIMATED TOTAL PREMIUM			\$ 107,475

*This policy may be subject to final audit.

ITEM THREE SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION						PURCHASED		TERRITORY	
	Year, Model, Trade Name, Body Type Serial Number (s) Vehicle Identification Number (VIN)						Original Cost New	Actual Cost & NEW (N) USED (U)	Town & State Where The Covered Auto Will Be Principally Garaged	
1	99 STOUGHTO TRAILER TRAILER 1DW1A4829RS837047						15,000		002 BALCH SPRINGS TX	
2	99 FRUEHAUF TRAILER TRAILER 1JJV321F6XF637307						15,000		002 BALCH SPRINGS TX	
3	99 FRUEHAUF TRAILER TRAILER 1JJV321F0XF637304						15,000		002 BALCH SPRINGS TX	
4	04 PACE CARGO TRAILER 47ZFB12194X028428						5,000		002 BALCH SPRINGS TX	
Covered Auto No.	CLASSIFICATION								EXCEPT For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below As Interests May Appear At the Time Of The Loss.	
	Radius Of Operation	Business Use S = service R = retail C = commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code		
					Liab.	Phy. Dam.				
1	50	S	45,000	6	0.10	0.65		67499		
2	50	S	45,000	6	0.10	0.65		67499		
3	50	S	45,000	6	0.10	0.65		67499		
4	50	S	45,000	5	0.10	0.65		67499		

ITEM THREE SCHEDULE OF COVERED AUTOS YOU OWN (CONTINUED)

Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)				
	LIABILITY		PERSONAL INJURY PROTECTION		ADDED PERSONAL INJURY PROTECTION
	Limit	Premium	Limit Stated In Each Personal Injury Protection Endorsement Minus Deductible Shown Below	Premium	Limit Stated In Each Added Personal Injury Protection Endorsement Premium
1		130		1	
2		130		1	
3		130		1	
4		130		1	
Total Premium		520		4	

Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)				
	PROPERTY PROTECTION (Michigan Only)		AUTO MEDICAL PAYMENTS		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)
	Limit Stated In Property Protection Insurance Endorsement Minus Deductible Shown Below	Premium	Limit	Premium	Stated In Each Medical Expense And Income Loss Endorsement for Each Person
1					
2					
3					
4					
Total Premium					

Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)							
	COMPREHENSIVE		SPECIFIED CAUSES OF LOSS		COLLISION		TOWING & LABOR	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Per Disablement	Premium
1								
2								
3								
4								
Total Premium								

ITEM FOUR SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

LIABILITY COVERAGE - RATING BASIS, COST OF HIRE				
STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (If Liability Coverage Is Primary)	PREMIUM
TX	150,000	0.570	6.000	2,216
TOTAL PREMIUM				2,216

ITEM FOUR SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (CONTINUED)

[illegible]

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE COVERAGE

COVERAGES	LIMIT OF INSURANCE	ESTIMATED ANNUAL COST OF HIRE	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ 5000 DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.	\$ 150,000	\$	\$ 154
SPECIFIED CAUSES OF LOSS	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ 25 DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.	\$	\$	\$
COLLISION	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS \$ 5000 DEDUCTIBLE FOR EACH COVERED AUTO.	\$ 150,000	\$	\$ 154
TOTAL PREMIUM				\$ 308

ITEM FIVE SCHEDULE FOR NON-OWNERSHIP LIABILITY

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER	PREMIUM
Other Than Garage Service Operations And Other Than Social Service Agencies	Number Of Employees	60	\$ 290
	Number Of Partners		\$ INCL
Garage Service Operations	Number Of Employees Whose Principal Duty Involves The Operation of Autos		
Social Service Agencies	Number Of Employees		\$
	Number Of Volunteers		\$
TOTAL PREMIUM			\$ 290

ITEM SIX SCHEDULE FOR GROSS RECEIPTS OR MILEAGE BASIS - LIABILITY COVERAGE - PUBLIC AUTO OR LEASING RENTAL CONCERNS

LOCATION NO.:	ESTIMATED YEARLY	RATES		PREMIUMS	
		<div><input type="checkbox"/> Per \$100 Of Gross Receipts</div> <div><input type="checkbox"/> Per Mile</div>			
		LIABILITY COVERAGE	AUTO MEDICAL PAYMENTS/Medical Expense Benefits & Income Loss Benefits (VA Only)	LIABILITY COVERAGE	AUTO MEDICAL PAYMENTS/Medical Expense Benefits & Income Loss Benefits (VA Only)
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
TOTAL PREMIUMS				\$	\$
MINIMUM PREMIUMS				\$	\$

LOCATION NUMBER	ADDRESS

When used as a premium basis:

FOR PUBLIC AUTOS

Gross Receipts means the total amount to which you are entitled for transporting passengers, mail or merchandise during the policy period regardless of whether you or any other carrier originate the transportation. Gross Receipts does not include:

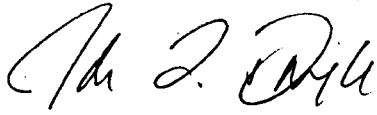
- A. Amounts you pay to railroads, steamship lines, airlines and other motor carriers operating under their own ICC or PUC permits.
- B. Advertising revenue.
- C. Taxes which you collect as a separate item and remit directly to a governmental division.
- D. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing units operated during the policy period.

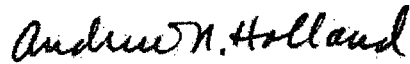
FOR RENTAL OR LEASING CONCERNS

Gross receipts means the total amount to which you are entitled for the leasing or rental of "autos" during the policy period and includes taxes except those taxes which you collect as a separate item and remit directly to a governmental division. Mileage means the total of all live and dead mileage developed by all the "autos" you leased or rented to others during the policy period.

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this policy.



President
COMMERCE AND INDUSTRY INSURANCE COMPANY



Secretary
COMMERCE AND INDUSTRY INSURANCE COMPANY

This policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the policy.



Authorized Representative

**SCHEDULE OF COVERED AUTOS YOU OWN
EXTENSION OF DECLARATIONS**

ITEM THREE - SCHEDULE OF COVERED AUTOS YOU OWN (CONT'D)
(If Garage Policy, this Extension pertains to Item Nine)

A961
(Ed. 7/03)

POLICY NUMBER: CA 757-40-12

Covered Auto No.	DESCRIPTION				PURCHASED		TERRITORY		
	Year, Model, Trade Name, Body Type Serial Number (S), Vehicle Identification Number (VIN)				Original Cost New	Actual Cost NEW (N) USED (U)	Town & State Where the Covered Auto will be principally garaged		
5	94	WANC	TRAI	TRAI	1JJV482UXRL207054	15000	002	BALCH	SPRINGS TX
6	02	FORD	E350	VAN	1FDWE35F12HA08683	20000	002	BALCH	SPRINGS TX
7	06	KENWORTH	T800	TRACTO	1XKDD89X76J140068	80000	002	BALCH	SPRINGS TX
8	97	UTILITY	TRAI	TRAI	1UYVS2489VP064419	15000	002	BALCH	SPRINGS TX
9	99	FRUEHAUF	VAN	TRAI	1JJV482F6XF562204	11750	002	BALCH	SPRINGS TX
10	99	WABU	TRAI	TRAI	1JJV281T9ML156637	5000	002	BALCH	SPRINGS TX
11	97	UTILITY	TRAI	TRAI	1UYVS248XP0164333	15000	002	BALCH	SPRINGS TX
12	98	DODGE	RAM	TRUCK	1B7KC2366WJ197464	29000	002	BALCH	SPRINGS TX
13	04	DODGE	2500	PICKUP	3D7KA28C64G247854	29000	002	BALCH	SPRINGS TX
14	06	NORTH AM	CARGO	TRAI	5SMCL121661001131	5000	002	BALCH	SPRINGS TX
15	06	DODGE RA	2500	PICKUP	1D7KS28C46J234986	34159	002	BALCH	SPRINGS TX
16	07	KENWORTH	T800	TRACTO	1XKDD89X87J185716	103000	002	BALCH	SPRINGS TX
17	06	PETERBIL	BOB TA	TRUCK	1NPALU0X76N894518	139293	002	BALCH	SPRINGS TX
18	07	WELLS	CARGO	TRAI	1WC200J2X72059108	16112	001	HOUSTON	TX
19	99	LUFKIN	TRAI	TRAI	1L01A5320X1141930	12619	002	BALCH	SPRINGS TX
20	99	LUFKIN	TRAI	TRAI	1L01A5325X1141857	12619	002	BALCH	SPRINGS TX
21	07	WINCH	ROLLOF	TRAI	1UNSH48257C053007	51000	002	MESQUITE	TX
22	98	FRUEHAUF	VAN	TRAI	1JJV482F9WF528014	20056	002	MESQUITE	TX
23	06	CHEVROLE	EXPRES	CARGO	1GCGG25V761105311	25000	002	MESQUITE	TX
24	04	DODGE	RAM	PICKUP	3D7KA28C24G206542	35000	001	HOUSTON	TX
25	06	DODGE	RAM	PICKUP	3D7KR28C96G289253	36000	002	BALCH	SPRINGS TX
26	00	FORD	F250	PICKUP	1FTNW21F4YEB12950	12000	001	HOUSTON	TX
27	06	DODGE	RAM	PICKUP	1D7HU18N769617251	25000	002	MESQUITE	TX
28	04	PETERBIL	BOBTAI	TRUCK	2NPNLD9XX4M832483	60000	002	MESQUITE	TX
29	07	KENWORTH	TRACTO	TRUCK	1XKDD89X47J185731	89000	002	MESQUITE	TX
30	09	PETERBIL	BOBTAI	VACCUM	1NPSLU0X79D773857	125000	001	HOUSTON	TX
31	07	TANK	TRAI	TRACTO	1UNST42247L052700	89000	002	MESQUITE	TX
32	97	STOUGHTO	TRAI	TRAI	1DW1A4821VS101570	8500	002	MESQUITE	TX
33	97	GREAT DA	TRAI	TRAI	1GRAA9622VB015101	9000	001	HOUSTON	TX
34	06	FORD	CARGO	VAN	1FTNE24W76DA79881	18000	013	SHERMAN	TX

Covered Auto No.	CLASSIFICATION							Code	Except for Towing, all Physical Damage Loss Is Payable to You And The Loss Payee Named Below As Interests May Appear At The Time Of The Loss
	Radius of Operation (In Miles)	Business Use s = service r = retail c = comm'l	Size GVW, GCW, or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		
					Liab.	Phy Dam.			
5	50	S	45000	6	0.100	0.650		67499	PROSPERITY BANK
6	50	S	10000	6	1.000	1.000		01499	
7	50	S	45001	3	2.350	1.050		50499	
8	50	S	45000	6	0.100	0.650		67499	
9	50	S	45000	6	0.100	0.650		67499	
10	50	S	45000	6	0.100	0.650		67499	
11	50	S	45000	6	0.100	0.650		67499	
12	50	S	10000	6	1.000	1.000		01499	
13	50	S	10000	5	1.000	1.000		01499	
14	50	S	45000	3	0.100	0.500		68499	
15	50	S	10000	3	1.000	1.000		01499	
16	50	S	45001	3	2.350	1.050		50499	
17	50	S	45001	3	2.100	1.000		40499	
18	50	S	45000	6	0.100	0.650		67421	
19	50	S	45000	6	0.100	0.650		67499	
20	50	S	45000	6	0.100	0.650		67421	
21	50	S	45000	6	0.100	0.650		67499	
22	50	S	45000	6	0.100	0.650		67499	
23	50	S	10000	3	1.000	1.000		01499	
24	50	S	10000	3	1.000	1.000		01499	
25	50	S	10000	3	1.000	1.000		01499	
26	50	S	10000	3	1.000	1.000		01499	
27	50	S	10000	3	1.000	1.000		01499	
28	50	S	45001	6	2.100	1.000		40499	
29	50	S	45001	3	2.350	1.050		50499	
30	50	S	45001	3	2.100	1.000		40499	
31	50	S	45000	2	0.100	0.650		67499	
32	50	S	45000	1	0.100	0.650		67499	
33	50	S	45000	2	0.100	0.650		67499	
34	50	S	10000	6	1.000	1.000		01499	

**SCHEDULE OF COVERED AUTOS YOU OWN
EXTENSION OF DECLARATIONS**

ITEM THREE - SCHEDULE OF COVERED AUTOS YOU OWN (CONT'D)
(If Garage Policy; this Extension pertains to Item Nine)

A961
(Ed. 7/03)

POLICY NUMBER: CA 757-40-12

Covered Auto No.	DESCRIPTION				PURCHASED		TERRITORY		
	Year, Model, Trade Name, Body Type Serial Number (S), Vehicle Identification Number (VIN)				Original Cost New	Actual Cost NEW (N) USED (U)	Town & State Where the Covered Auto will be principally garaged		
35	06	GOOSENEC	FLATBE	TRAILER	4P5GN202461087326	3750	002	DALLAS	TX
36	06	TOYOTA	SEQUOIA	SUV	5TDZT34A56S267529	27867	002	DALLAS	TX
37	08	DRAGON	ROLL O	TRAILER	1UN5H34208C066541	45750	002	MESQUITE	TX
38	08	TOYOTA	CAMRY	HYBRID	4T1BB46K28U039725	29380	001	HOUSTON	TX
39	02	GREAT	DANE 4	TRAILER	1GRAA96222T004606	12000	002	DALLAS	TX
40	02	GREAT DA	TRAILER	TRAILER	1GRAA96282T004609	12000	002	DALLAS	TX
41	09	TOYOTA	CAMRY	HYBRID	4T1BB46K19U079585	31114	002	DALLAS	TX
42	97	GREAT DA	TRAILER	TRAILER	GRAA9026VB0052001	10000	002	MESQUITE	TX
43	98	UTILITY	TRAILER	TRAILER	1UYVS2481WP459213	12000	002	MESQUITE	TX
44	08	PJ TANDE	DUMP 1	TRAILER	4P5D7142691124379	9801	002	MESQUITE	TX
45	96	FRUEHAUF	TAND,	TRAILER	2H8V04824TX002002	7470	002	MESQUITE	TX
46	96	FRUEHAUF	TAND,	TRAILER	2H8V04828TX002004	7470	002	MESQUITE	TX
47	96	FRUEHAUF	VAN	TRAILER	2H8V0482XTX002005	7470	002	MESQUITE	TX
48	08	DODGE	RAM 25	PICKUP	3D7KR28A68G150103	32421	002	MESQUITE	TX
49	08	DODGE	RAM 25	PICKUP	3D7KR28A68G209733	32661	002	MESQUITE	TX
50	08	DODGE	RAM 25	PICKUP	3D7KS28A28G106264	36948	002	MESQUITE	TX
51	09	PETERBIL	386	TRACTO	1XPHDB9XX9D792391	110390	002	MESQUITE	TX
52	09	PETERBIL	386	TRACTO	1XPHDB9X19D792392	110390	002	MESQUITE	TX
53	09	PETERBIL	365	BOBTAL	1NPSLU0X79D792585	138143	002	MESQUITE	TX
54	09	DODGE	RAM 25	PICKUP	3D7KS28L59G543386	32562	002	MESQUITE	TX
55	09	DODGE	RAM 25	PICKUP	3D7KS28L79G543387	32562	002	MESQUITE	TX
56	08	KENWORTH	TRACTO		1XKDDX9X88J227591	124000	002	MESQUITE	TX
57	08	KENWORTH	TRACTO		1XKDDX9XX8J227592	119143	002	MESQUITE	TX
58	98	STOUGHTO	VAN	TRAILER	1DW1A4825WS245303	8000	002	MESQUITE	TX
59	98	UTILITY	VAN TR	TRAILER	1UYV52487XP863103	6000	002	MESQUITE	TX
60	09	TROXELL	VACUUM	TRUCK	1T9TA432991867087	33372	002	MESQUITE	TX
61	10	KENWORTH	T800	TRACTO	1XKDDB9X7AJ260848	149940	002	MESQUITE	TX
62	10	KENWORTH	T800	TRACTO	1XKDDB9X8AJ260860	149940	002	MESQUITE	TX
63	98	STOUGHTO	VAN	TRAILER	1DW1A4821WS245301	7250	002	MESQUITE	TX
64	99	UTILITY	VAN	TRAILER	1UYVS2489XP047204	7800	002	MESQUITE	TX

Covered Auto No.	CLASSIFICATION								Code	Except for Towing, all Physical Damage Loss Is Payable to You And The Loss Payee Named Below As Interests May Appear At The Time Of The Loss
	Radius of Operation (In Miles)	Business Use s = service r = retail c = comm'l	Size GVW, GCW, or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor			
					Liab.	Phy Dam.				
35	50	S	45000	6	0.100	0.500			68499	PROSPERITY BANK
36	50	S	10000	3	1.000	1.000			01499	
37	50	S	80000	3	0.100	0.650			67421	
38				1					07398	
39	50	S	45000	6	0.100	0.650			67421	
40	50	S	45000	1	0.100	0.650			67421	
41				6					07398	
42	50	S	45000	1	0.100	0.650			67421	
43	50	SS	45000	6	0.100	0.650			67421	
44	50	SS	45000	6	0.100	0.650			67421	
45	50	SS	45000	1	0.100	0.650			67421	
46	50	SS	45000	6	0.100	0.650			67421	
47	50	SS	45000	1	0.100	0.650			67421	
48	50	SS	10000	1	1.000	1.000			01499	
49	50	SS	10000	1	1.000	1.000			01499	
50	50	SS	10000	1	1.000	1.000			01499	
51	50	CC	45001	1	2.350	1.050	0.650		50421	PROSPERITY BANK PROSPERITY BANK
52	50	CC	45001	1	2.350	1.050	0.650		50421	
53	50	CC	45001	1	2.350	1.050	0.650		50421	
54	50	S	10000	1	1.000	1.000			01499	
55	50	S	10000	1	1.000	1.000			01499	
56	50	SS	45001	1	2.350	1.050			50499	
57	50	SS	45001	3	2.350	1.050			50499	
58	50	SS	45000	13	0.100	0.650			67499	
59	50	SS	45000	13	0.100	0.650			67499	
60	50	CC	46000	2	2.100	1.000			40499	
61	50	CC	45001	1	2.350	1.050			50499	
62	50	S	45001	1	2.350	1.050			50499	
63	50	CC	45000	13	0.100	0.650			67499	
64	50	C	45000	12	0.100	0.650			67499	

PACCAR LEASING OF DALLAS

**SCHEDULE OF COVERED AUTOS YOU OWN
EXTENSION OF DECLARATIONS**

ITEM THREE - SCHEDULE OF COVERED AUTOS YOU OWN (CONT'D)
(If Garage Policy, this Extension pertains to Item Nine)

A961
(Ed. 7/03)

POLICY NUMBER: CA 757-40-12

Covered Auto No.	DESCRIPTION				PURCHASED		TERRITORY
	Year, Model, Trade Name, Body Type Serial Number (S), Vehicle Identification Number (VIN)				Original Cost New	Actual Cost NEW (N) USED (U)	Town & State Where the Covered Auto will be principally garaged
65	06	FORE	CARGO	TRAILER	5NHUEHV226W052633	2750	002 DALLAS TX
66	06	FORE	CARGO	TRAILER	5NHUEH6286W053574	2750	002 DALLAS TX
67	00	GREAT DA	VAN 48	TRAILER	1GRAA9620YB138903	7364	002 MESQUITE TX
68	00	GREAT DA	VAN 48	TRAILER	1GRAA9624YB138905	7364	002 MESQUITE TX
69	10	FORD TRA	CONNEX	XLT VA	NMOLS7DN4AT027771	22055	013 SHERMAN TX

Covered Auto No.	CLASSIFICATION							Code	Except for Towing, all Physical Damage Loss Is Payable to You And The Loss Payee Named Below As Interests May Appear At The Time Of The Loss
	Radius of Operation (In Miles)	Business Use s = service r = retail c = comm'l	Size GVW, GCW, or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		
					Liab.	Phy Dam.			
65	50	S	2000	5		0.400		69499	
66	50	S	2000	5		0.400		69499	
67	50	S	45000	11	0.100	0.650		67499	
68	50	S	45000	11	0.100	0.650		67499	
69	50	S	10000	1	1.000	1.000		01499	

Except for Towing, all Physical Damage Loss Is Payable to You And The Loss Payee Named Below As Interests May Appear At The Time Of The Loss

**SCHEDULE OF COVERED AUTOS YOU OWN
EXTENSION OF DECLARATIONS**

ITEM THREE - SCHEDULE OF COVERED AUTOS YOU OWN (CONT'D)

A961
(Ed. 7/03)

POLICY NUMBER: CA 757-40-12

Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)							
	LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)		AUTO MEDICAL PAYMENTS
	Limit (In Thousands)	Premium	Limit * Minus Deductible Shown Below	Premium	Limit * Premium	Limit * Minus Deductible Shown Below	Premium	Limit Premium
5		130		1				
6		1258		18				
7		3704		18				
8		130		1				
9		130		1				
10		130		1				
11		130		1				
12		1258		18				
13		1258		18				
14		130		1				
15		1258		18				
16		3704		18				
17		3309		18				
18		141		1				
19		130		1				
20		130		1				
21		130		1				
22		130		1				
23		1258		18				
24		1352		18				
25		1258		18				
26		1352		18				
27		1258		18				
28		3309		18				
29		3704		18				
30		3557		18				
31		130		1				
32		130		1				
33		141		1				
34		874		15				

Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)							
	MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)		COMPREHENSIVE		SPECIFIED CAUSES OF LOSS	COLLISION		TOWING & LABOR
	Limit ** (In Thousands)	Premium	Limit *** Minus Deductible Shown Below	Premium	Limit *** Premium	Limit *** Minus Deductible Shown Below	Premium	Limit *** Per Disablement Premium
5			5000	37		5000	51	
6			5000	91		5000	417	
7								
8								
9								
10								
11								
12			5000	42		5000	75	
13			5000	57		5000	106	
14								
15			5000	63		5000	123	
16			5000	106		5000	513	
17			5000	115		5000	513	
18			5000	28		5000	43	
19								
20			5000	16		5000	18	
21			5000	49		5000	154	
22			5000	24		5000	34	
23			5000	55		5000	82	
24			5000	51		5000	99	
25			5000	63		5000	123	
26								
27			5000	55		5000	82	
28			5000	64		5000	194	
29			5000	97		5000	441	
30			5000	108		5000	531	
31			5000	60		5000	218	
32								
33								
34			5000	51		5000	63	

* Limit stated in each applicable P.I.P., Added P.I.P. or P.P.I. Endorsement.
 ** Limit stated in each Medical Expense And Income Loss Endorsement For Each Person.
 *** Limit stated in ITEM TWO.

**SCHEDULE OF COVERED AUTOS YOU OWN
EXTENSION OF DECLARATIONS**

ITEM THREE - SCHEDULE OF COVERED AUTOS YOU OWN (CONT'D)

A961
(Ed. 7/03)

POLICY NUMBER: CA 757-40-12

Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)							
	LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)		AUTO MEDICAL PAYMENTS
	Limit (In Thousands)	Premium	Limit * Minus Deductible Shown Below	Premium	Limit * Premium	Limit * Minus Deductible Shown Below	Premium	Limit Premium
35		130		1				
36		1258		18				
37		130		1				
38		987		21				
39		130		1				
40		130		1				
41		917		22				
42		130		1				
43		130		1				
44		130		1				
45		130		1				
46		130		1				
47		130		1				
48		1258		18				
49		1258		18				
50		1258		18				
51		4727		18				
52		4727		18				
53		4727		18				
54		1258		18				
55		1258		18				
56		3704		18				
57		3704		18				
58		130		1				
59		130		1				
60		3309		18				
61		3704		18				
62		3704		18				
63		130		1				
64		130		1				

Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)							
	MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)		COMPREHENSIVE		SPECIFIED CAUSES OF LOSS	COLLISION		TOWING & LABOR
	Limit ** (In Thousands)	Premium	Limit *** Minus Deductible Shown Below	Premium	Limit *** Premium	Limit *** Minus Deductible Shown Below	Premium	Limit *** Per Disablement Premium
35								
36			5000	63		5000	123	
37			5000	52		5000	181	
38			5000	54		5000	150	10
39			5000	19		5000	22	
40			5000	19		5000	22	
41			5000	43		5000	165	10
42			5000	10		5000	9	
43			5000	16		5000	18	
44			5000	16		5000	16	
45								
46								
47			5000	6		5000	34	
48			5000	72		5000	154	
49			5000	72		5000	154	
50			5000	72		5000	154	
51			5000	188		5000	1061	
52			5000	188		5000	1061	
53			5000	218		5000	1349	
54			5000	72		5000	154	
55			5000	72		5000	154	
56			5000	126		5000	738	
57			5000	123		5000	712	
58								
59								
60			5000	72		5000	154	
61			5000	144		5000	905	
62			5000	144		5000	905	
63								
64								

- * Limit stated in each applicable P.I.P., Added P.I.P. or P.P.I. Endorsement.
 ** Limit stated in each Medical Expense And Income Loss Endorsement For Each Person.
 *** Limit stated in ITEM TWO.

**SCHEDULE OF COVERED AUTOS YOU OWN
EXTENSION OF DECLARATIONS**

ITEM THREE - SCHEDULE OF COVERED AUTOS YOU OWN (CONT'D)

A961
(Ed. 7/03)

POLICY NUMBER: CA 757-40-12

Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)								
	LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)		AUTO MEDICAL PAYMENTS	
	Limit (In Thousands)	Premium	Limit * Minus Deductible Shown Below	Premium	Limit * Premium	Limit * Minus Deductible Shown Below	Premium	Limit	Premium
65 66 67 68 69		130 130 874		1 1 15					
Total Premium		80745		629					

Covered Auto No.	COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)								
	MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)		COMPREHENSIVE		SPECIFIED CAUSES OF LOSS	COLLISION		TOWING & LABOR	
	Limit ** (In Thousands)	Premium	Limit *** Minus Deductible Shown Below	Premium	Limit *** Premium	Limit *** Minus Deductible Shown Below	Premium	Limit *** Per Disablement	Premium
65 66 67 68 69			5000	66		5000	96		
Total Premium				3159			12371		20

* Limit stated in each applicable P.I.P., Added P.I.P. or P.P.I. Endorsement.
 ** Limit stated in each Medical Expense And Income Loss Endorsement For Each Person.
 *** Limit stated in ITEM TWO.

FORMS SCHEDULE

EFFECTIVE DATE: 09/23/2010

NAMED INSURED: EFFECTIVE ENVIRONMENTAL, INC.

POLICY NO: CA 757-40-12

CA0001	(0306)	BUSINESS AUTO COVERAGE FORM
CA0196	(0306)	TEXAS CHANGES
CA0243	(0301)	TEXAS CHANGES - CANCEL/RENEWAL
CA0244	(0604)	TX CANCEL PROV OR COV CHGE END
CA0301	(0306)	DEDUCTIBLE LIABILITY COVERAGE
CA2048	(0299)	DESIGNATED INSURED
CA2109	(0604)	TEXAS UM/UIM COVERAGE
CA2264	(0708)	TX PERSONAL INJURY PROTECTION
CA9944	(1293)	LOSS PAYABLE CLAUSE
ILO017	(1198)	COMMON POLICY CONDITIONS
ILO021	(0908)	NUCLEAR ENERGY LIAB EXCLUSION
53365	(0796)	TEXAS LOSS CONTROL
59186	(1193)	AUTO THEFT PREVENTION NOTICE
62897	(0695)	WAIVE TRANS RIGHTS AGNST OTHERS
MCS90		MOTOR CARRIER SEC 29/30 ACT 1980
74445	(1099)	INS PRIMARY-CERTAIN ADD'L INSRDS
89187	(0406)	TERRORISM EXCLUSION
89644	(0705)	AMENDATORY ENDT - COVERAGE TERR
94396	(0110)	TEXAS NOTICE

IMPORTANT NOTICE

STATE DMV PROOF OF COVERAGE REPORTING REQUIREMENTS

The Department of Motor Vehicles (DMV) in various states has implemented anti-fraud systems that require that proof of coverage be on file in their data bases. These various state DMV's presently mandate the filing of specific data elements as State law(s) require. These data elements must be supplied to us upon binding Automobile Liability Coverage. Without the information, we are unable to make our mandatory reports to the DMV. (It is critical that you provide information in a timely manner to your broker. If we are unable to comply with the reporting requirements, it may result in loss of your tags, fines, impoundment of your vehicle(s), including cargo, and your inability to register your vehicle(s).

We have advised your broker as to the Automobile Liability Insurance Reporting Procedures for reporting Vehicle Data to the various states, available on our broker website. Additionally, we have advised your broker on how to retrieve "templates" on our web site for capture and transmission of vehicle information for such reporting.

It is also your responsibility to supply us, through your broker, with all of the required data on changes to your list of vehicles that are covered by the policy (vehicle list) after the inception date of the policy. Failure to do so may result in the previously mentioned consequences.

The information to be reported varies by state, but may include:

- The asset owner (registrant) name, address (including zip code) and Federal Employers Identification Number or Drivers License Number.
- The number of vehicles registered in each state covered under your policy.
- The complete Vehicle Identification Number (VIN) in several of these various states.
- The National Insurance Crime Bureau's (NICB) Year, Make and Model of the vehicle.
- The Broker's information, including License number, in some states.
- The policy number (number of the policy) that we have issued to you.
- The renewal number of the policy that we have issued to you (if applicable)

For some states, this information must be reported as soon as 7 days after effective date of coverage or change of vehicles.

Please contact your broker to ensure that all of the necessary information has been, and continues to be, provided to us. Without this information, we are unable to make our reports to the various DMVs.

Thank you for your attention to this matter.

Commercial Automobile Notice - Multiple Coverage Forms

If you have purchased coverage for autos garaged in more than one state, you may find that the attached packet includes more than one policy. In addition, you may find more than one coverage form within one policy. This is due to policy issuance systems requirements and because one coverage form has not been approved for use in all states. Please see below for the coverage forms that apply in each state, and whether all coverage forms are provided under one policy.

Business Auto coverage is provided under CA 00 01 03 06 in most states, under one policy, except as follows:

Massachusetts coverage is provided under CA 00 01 10 01 as a stand-alone policy

Garage coverage is provided under CA 00 05 03 06 in most states, under one policy, except as follows:

Massachusetts coverage is provided under CA 00 05 09 02 as a stand-alone policy

Truckers coverage is provided under CA 00 12 03 06 in most states, under one policy, except as follows:

Massachusetts coverage is provided under CA 00 12 10 01 as a stand-alone policy

BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-Fault	Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees" partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Nonowned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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B. Owned Autos You Acquire After The Policy Begins

1. If Symbols 1, 2, 3, 4, 5, 6 or 19 are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol 7 is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II - LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused

by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "auto". This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
 - (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
 - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
 - (5) A partner (if you are a partnership), or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-Of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

6. Care, Custody Or Control

"Property damage" to or "covered pollution

cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than

one site.

- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "in-

sured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage Endorsement, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

SECTION III - PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$20 per day to a maximum of \$600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the

covered "auto" is returned to use or we pay for its "loss"

b. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.
3. We will not pay for "loss" caused by or resulting from any of the following unless

caused by other "loss" that is covered by this insurance:

a. Wear and tear, freezing, mechanical or electrical breakdown.

b. Blowouts, punctures or other road damage to tires.

4. We will not pay for "loss" to any of the following:

a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

b. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.

c. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.

d. Any accessories used with the electronic equipment described in Paragraph c. above.

Exclusions 4.c. and 4.d. do not apply to:

a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or

b. Any other electronic equipment that is:

(1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or

(2) An integral part of the same unit housing any sound reproducing equipment described in Paragraph a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

5. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limit Of Insurance

1. The most we will pay for "loss" in any one "accident" is the lesser of:

- a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
 3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV - BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;
 - (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.

- b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".

d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere in the world if:

(1) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and

(2) The "insured's" responsibility to pay

damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V - DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured";
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Em-

ployee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or
 - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
 - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I. "Leased worker" means a person leased to

you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

J. "Loss" means direct and accidental loss or damage.

K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers.
5. Vehicles not described in Paragraph 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or

other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
 - 1. Damages because of "bodily injury" or "property damage"; or
 - 2. A "covered pollution cost or expense", to which this insurance applies, are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

- O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

- P. "Trailer" includes semitrailer.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

For a covered "auto" licensed or principally garaged in Texas, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Physical Damage Coverage

1. The following exclusion is added to Paragraph **B. Exclusions** in the **Physical Damage Coverage** Section:

We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

2. Paragraphs **C.2.** and **C.3.** of the Limit Of Insurance Provision under **Physical Damage Coverage** do not apply.
3. Paragraph **D. Deductible** in the **Physical Damage Coverage** Section is amended by the addition of the following:

At the mutual agreement of you and us, we will not apply the deductible to "loss" to glass, if the glass is repaired rather than replaced.

B. Changes In Conditions

The following Condition is added:

CLAIM HANDLING PROCEDURES

1. Within 15 days after we receive written notice of claim, we will:
 - a. Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
 - b. Begin any investigation of the claim; and
 - c. Specify the information you must provide in accordance with Paragraph b. of the Duties Condition.

We may request more information at a later

date, if during the investigation of the claim such additional information is necessary.

2. After we receive the information we request, we will notify you in writing as to whether:
 - a. The claim will be paid;
 - b. The claim has been denied, and inform you of the reasons for denial;
 - c. More information is necessary; or
 - d. We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in 2.a through 2.d. above, within:

- a. 15 "business days"; or
- b. 30 days if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

3. If a claim results from a weather related catastrophe or a major natural disaster as defined by the Texas Department of Insurance, the claim handling deadlines described above are extended for an additional 15 days.
4. If we notify you that we will pay your claim, or part of your claim, we will pay within 5 "business days" after we notify you.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms under this policy, we will make payment within 5 "business days" after the date you have complied with such terms.
5. We will notify you in writing of:

- a. An initial offer to compromise or settle a claim made or "suit" brought against any insured under the Liability Coverage Section of this policy. The notice will be given no later than the 10th day after the date on which the offer is made.
- b. Any settlement of a claim made or "suit" brought against the "insured" under the Liability Coverage Section of this policy. The notice will be given not later than the 30th day after the date of settlement.

As used in this Condition, business day means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

C. Changes In Uninsured/Underinsured Motorists Coverage

All references to "Uninsured Motorists Coverage" in the title or text of any coverage form or endorsement thereto are changed to read "Uninsured/Underinsured Motorists Coverage".

D. Changes In Trailer Interchange Coverage

The following exclusion is added to Paragraph **B.1. Exclusions of Section III - Trailer Interchange Coverage** in the Motor Carrier and Truckers Coverage Forms:

We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss":

TEXAS CONTROLLED SUBSTANCE ACT

We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Paragraphs 2. and 5. of the Cancellation Common Policy Condition contained in Endorsement IL0017 are replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.

The permissible reasons for cancellation are as follows:

- a. If this policy has been in effect for 60 days or less, we may cancel for any reason except, that under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.
- b. If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:
 - (1) Fraud in obtaining coverage;
 - (2) Failure to pay premiums when due;
 - (3) An increase in hazard within the control of the insured which would produce an increase in rate;
 - (4) Loss of reinsurance covering all or part of the risk covered by the policy; or
 - (5) If we have been placed in supervision, conservatorship or receivership and

the cancellation is approved or directed by the supervisor, conservator or receiver.

5. If this policy is canceled, we will send the first Named Insured any premium refund due. The refund will be pro rata, subject to the policy minimum premium. The cancellation will be effective even if we have not made or offered a refund.

B. The following Condition is added:

1. Nonrenewal

- (a) We may elect to renew this policy except that under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.
- (b) If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CANCELLATION PROVISION OR COVERAGE CHANGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 09/23/2010	Countersigned By: (Authorized Representative)
Named Insured: EFFECTIVE ENVIRONMENTAL, INC.	

SCHEDULE

Number of Days' Notice 30
Name Of Person Or Organization NEWPARK DRILLING FLUIDS, LLC
Address 16340 PARK TEN PLACE, STE 150 HOUSTON, TX 77084

Number of Days' Notice 30
Name Of Person Or Organization STEPHENS TRANSPORTATION
Address 9757 MILITARY PARKWAY DALLAS, TX 75227

Number of Days' Notice 30

Name Of Person Or Organization

LAGRANGE ACQUISITION LP DBA ENERGY

Address

TRANSFER COMPANY, ATTN: SERVICE
CONTRACTS, 800 E. SONTERRA BLVD. #400
SAN ANTONIO, TX 78258

If this policy is canceled or materially changed to reduce or restrict coverage, we will mail notice of cancellation or change to the person or organization named in the Schedule. We will give the number of day's notice indicated in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: EFFECTIVE ENVIRONMENTAL, INC.
Endorsement Effective Date: 09/23/2010
Countersignature Of Authorized Representative
Name:
Title:
Signature:
Date:

SCHEDULE

Liability Deductible:	\$10,000	Per "Accident"
"Property Damage" Deductible:		Per "Accident"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

Liability Coverage is changed as follows:

A. Liability Coverage Deductible

The damages caused in any one "accident" that would otherwise be payable under Liability Coverage will be reduced by the Liability Deductible shown in the Schedule prior to the application of the Limit of Insurance provision.

B. Property Damage Liability Coverage Deductible

The damages that would otherwise be payable under Liability Coverage for "property damage"

caused in any one "accident" will be reduced by the "Property Damage" Deductible shown in the Schedule prior to the application of the Limit of Insurance provision.

C. Our Right To Reimbursement

To settle any claim or "suit" we may pay all or any part of any deductible shown in the Schedule. If this happens, you must reimburse us for the deductible or the part of the deductible we paid.

POLICY NUMBER: CA 757-40-12

COMMERCIAL AUTO
CA 20 48 02 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 09/23/2010	Countersigned By: (Authorized Representative)
Named Insured: EFFECTIVE ENVIRONMENTAL, INC.	

SCHEDULE

Name of Person(s) or Organization(s): BLANKET WHERE REQUIRED BY CONTRACT OR AGREEMENT
--

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **Section II** of the Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS UNINSURED/UNDERINSURED MOTORISTS COVERAGE

For a "covered auto" licensed or principally garaged in, or "garage operations" conducted in, Texas, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 09/23/2010	Countersigned By:
Named Insured: EFFECTIVE ENVIRONMENTAL, INC.	(Authorized Representative)

SCHEDULE

Limit Of Insurance	
\$1,000,000	Each "Accident"
Designated Person:	
Description Of "Covered Autos" (check appropriate box)	
<input checked="" type="checkbox"/>	Any "auto" owned by the Named Insured
<input type="checkbox"/>	Any private passenger "auto" owned by the Named Insured
<input type="checkbox"/>	Any "auto" to which are attached dealer's license plates issued to the Named Insured
<input type="checkbox"/>	Any "auto" designated in the Declarations of the policy [by the letters "UM/UIM"] and an "auto" ownership of which is acquired during the policy period by the Named Insured as a replacement therefor
<input type="checkbox"/>	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Coverage

1. We will pay damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury" sustained by an "insured", or "property damage" caused by an "accident". The owners or operator's liability for these damages must arise out of the

ownership, maintenance or use of the "uninsured motor vehicle".

2. With respect to damages resulting from an "accident" with a vehicle described in Paragraph d. of the definition of "uninsured motor vehicle", we will pay under this coverage only if a. or b. below applies:

- a. The limit of any applicable liability bonds or policies have been exhausted by payment of judgments or settlements; or
 - b. A tentative settlement has been made between an "insured" and the insurer of the vehicle described in Paragraph d. of the definition of "uninsured motor vehicle" and we:
 - (1) Have been given prompt written notice of such tentative settlement; and
 - (2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.
3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us. If we and the Named Insured do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue will be on us.
- B. Who Is An Insured**
- If the Named Insured is designated in the Declarations as:
- 1. An individual, then the following are insureds:
 - a. The Named Insured and any "designated person" and any "family member" of either.
 - b. Any other person "occupying" a "covered auto".
 - c. Any person or organization for damages that person or organization is entitled to recover because of "bodily injury" sustained by a person described in a. or b. above.
 - 2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
 - a. The Named Insured for "property damage" only.
 - b. Any "designated person" and any "family member" of such person.
 - c. Any person "occupying" a "covered auto".
 - d. Any person or organization for damages that person or organization is entitled to recover because of "bodily injury" sustained by a person described in b. or c. above.
- C. Exclusions**
- 1. We do not provide Uninsured/Underinsured Motorists Insurance:
 - a. For "bodily injury" sustained by:
 - (1) Any "designated person" while "occupying" or when struck by any vehicle owned by that "designated person" that is not a "covered auto" for Uninsured/Underinsured Motorists Coverage under this coverage form;
 - (2) Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a "covered auto" for Uninsured/Underinsured Motorists Coverage under this Coverage Form; or
 - (3) Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Uninsured/Underinsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
 - b. For any claim settled without our consent. However, this exclusion does not apply to a settlement made with the insurer of an owner or operator of a vehicle described in Paragraph d. of the definition of "uninsured motor vehicle" in accordance with the procedure described in Paragraph A.2.b.
 - c. For any person for the first \$250 of the amount of damage to the property of that person as the result of any one "accident".
 - d. For the use of a vehicle without a reasonable belief that the person using the vehicle is entitled to do so. This exclusion does not apply to an Individual Named Insured, any "designated person" or a "family member" of either while using a "covered auto".
 - e. For any person for "bodily injury" or "property damage" resulting from the intentional acts of that person.
 - 2. This coverage shall not apply directly or indirectly to benefit:
 - a. Any insurer or self-insurer under any workers' compensation, disability or similar law.
 - b. Any insurer of property.
- D. Limit Of Insurance**
- 1. Regardless of the number of "covered autos", "insureds", policies or bonds applicable, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the limit of Uninsured/Underinsured Motorists Coverage shown in the Schedule or Declarations. Subject to this maximum, our limit of liability will be the lesser of:
 - a. The difference between the amount of a covered "insured's" damages for "bodily injury" or "property damage" and the

amount paid or payable to that covered "insured" for such damages, by or on behalf of persons or organizations who may be legally responsible; or

- b. The applicable limit of liability for this coverage.
2. In order to avoid insurance benefits payments in excess of actual damages sustained, subject to only the limits set out in the Schedule or Declarations and other applicable provisions of this coverage, we will pay all covered damages not paid or payable under any:
 - a. Workers' compensation, disability benefits or similar law;
 - b. Automobile Medical Payments coverage; or
 - c. Personal Injury Protection coverage.
3. Any payment under this coverage to or for an "insured" will reduce any amount that "insured" is entitled to recover for the same damages under this policy's Liability Coverage.

4. Special Provisions For Property Damage

Any "property damage" "loss" to which the Physical Damage Coverage of this policy (or similar coverage from another policy) and this coverage both apply, the Named Insured may choose the coverage from which damages will be paid. Such Named Insured may recover under both coverages, but only if:

- a. Neither one by itself is sufficient to cover the "loss";
- b. The Named Insured pays the higher deductible amount (but the Named Insured does not have to pay both deductibles); and
- c. The Named Insured will not recover more than the actual damages.

E. Changes In Conditions

The Conditions of the policy are changed for Uninsured/Underinsured Motorists Insurance as follows:

1. The reference in **Other Insurance** Condition in the Business Auto and Garage Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** Condition in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" is replaced by the following:

If there is other applicable similar insurance, we will pay only our share of the "loss". Our share is the proportion that our Limit of Insurance bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible insurance.

2. **Duties In The Event Of Accident, Claim, Suit**

Or Loss is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved.
- b. Promptly send us copies of the legal papers if a "suit" is brought.
- c. Take reasonable steps after "loss" to protect the "covered auto" and its equipment from further "loss". We will pay all reasonable expenses incurred to do this.
- d. Permit us to inspect and appraise the damaged property before its repair or disposal.
- e. Promptly notify us in writing of a tentative settlement between an "insured" and the insurer of the vehicle described in Paragraph d. of the definition of "uninsured motor vehicle" and allow us 30 days to advance payment to that "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such vehicle.

3. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

Our rights under this provision, do not apply with respect to a tentative settlement between an "insured" and the insurer of an owner or operator of a vehicle described in Paragraph d. of the definition of "uninsured motor vehicle"; if we:

- a. Have been given written notice of a tentative settlement between the "insured" and the insurer of the "uninsured motor vehicle", and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount an "insured" is entitled to recover under the provisions of Uninsured /Underinsured Motorists Coverage, and
- b. We also have the right to recover the advanced payment.

4. The following Condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that

are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding. However, at any time prior to the arbitrators' decision, either party may revoke the agreement to arbitrate the matter.

F. Additional Definitions

The following are added to the **Definitions** Section and have special meaning for Uninsured/Underinsured Motorists Insurance:

1. "Covered auto" means an "auto";
 - a. Owned or leased by the Named Insured; or
 - b. While temporarily used as a substitute for an owned "covered auto" that has been withdrawn from normal use because of its breakdown, repair, servicing, "loss" or destruction.Liability coverage of this policy must apply to the "covered auto".
"Covered auto" includes "autos" (described in a. or b. above) for which Uninsured/Underinsured Motorists Insurance has not been rejected in writing.
2. "Designated person" means an individual named in the Schedule. By such designation, that person has the same coverage as an Individual Named Insured.
3. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.
4. "Occupying" means in, upon, getting in, on, out or off.
5. "Property damage" means injury to or "loss" of use or destruction of:
 - a. A "covered auto";
 - b. Property owned by the Named Insured, a "designated person" or any "family

member" of either an Individual Named Insured or "designated person" while contained in a "covered auto";

- c. Property owned by any other person "occupying" the "covered auto" while contained in the "covered auto"; and
 - d. Any property owned by the Named Insured, a "designated person" or "family member" of either an individual Named Insured or "designated person" while contained in any "auto" not owned, but being operated by such Individual Named Insured, a "designated person" or any family member of either the Individual Named Insured or "designated person".
6. Uninsured motor vehicle" means a land motor vehicle or "trailer" of any type:
 - a. To which no liability bond or policy applies at the time of the "accident";
 - b. Which is a hit-and-run vehicle whose operator or owner cannot be identified. The vehicle must hit an "insured", a "covered auto" or a vehicle an "insured" is "occupying".
 - c. To which a liability bond or policy applies at the time of the "accident", but the bonding or insuring company denies coverage or is or becomes insolvent.
 - d. Which is an underinsured motor vehicle. An underinsured motor vehicle is one to which a liability bond or policy applies at the time of the accident but its limit of liability either:
 - (1) Is not enough to pay the full amount the covered "insured" is legally entitled to recover as damages; or
 - (2) Has been reduced by payment of claims to an amount which is not enough to pay the full amount the covered "insured" is legally entitled to recover as damages.

However "uninsured motor vehicle" does not include any vehicle or equipment:

- a. Owned by or furnished or available for the regular use of the Named Insured, a "designated person" or a "family member" of either an Individual Named Insured or the "designated person";
- b. Owned or operated by a self-insurer under an applicable motor vehicle law;
- c. Owned by any governmental body unless the operator of the vehicle is uninsured and there is no statute imposing liability for damage because of "bodily injury" or "property damage" on the governmental body for an amount not less than the Limit of Insurance for this coverage;

- d. Operated on rails or crawler treads;
- e. Designed mainly for use off public roads while not on public roads; and
- f. While located for use as a residence or premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS PERSONAL INJURY PROTECTION ENDORSEMENT

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Texas, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

SCHEDULE

Limit Of Insurance (Each Insured)		Premium
\$2,500		\$629
Description Of Covered Autos (check appropriate box):		
X	Any "auto" owned by you.	
	Any private passenger "auto" owned by you.	
	Any motor vehicle to which are attached dealer's license plates issued to you.	
	Any motor vehicle designated in the Declarations of the policy by the letters P.I.P. and a motor vehicle ownership of which is acquired during the policy period by you as a replacement therefor.	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

We will pay Personal Injury Protection benefits because of "bodily injury" resulting from a motor vehicle "accident" and sustained by a person "insured". Our payment will only be for "losses" or expenses incurred within three years from the date of the "accident".

Personal Injury Protection benefits consist of:

1. Necessary expenses for medical and funeral services.
2. 80% of an "insured's" loss of income from employment. These benefits apply only if, at the time of the "accident", the "insured":
 - a. Was an income producer; and
 - b. Was in an occupational status.

These benefits do not apply to any "loss" after the "insured" dies.

Loss of income is the difference between:

- a. Income which would have been earned had the "insured" not been injured; and
- b. The amount of income actually received from employment during the period of disability.

If the income being earned as of the date of the "accident" is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (not more than 12 months) preceding the "accident" shall be used.

3. Reasonable expenses incurred for obtaining services. These services must replace those an "insured" would normally have performed:

- a. Without pay;
- b. During a period of disability; and
- c. For the care and maintenance of the family or household.

These benefits apply only if, at the time of the "accident", the "insured":

- a. Was not an income producer; and
- b. Was not in an occupational status.

These benefits do not apply to any "loss" after the "insured" dies.

B. Who Is An Insured

- 1. You or any "family member" while "occupying" or when struck by any "auto".
- 2. Anyone else "occupying" a "covered auto" with your permission.

C. Exclusions

We will not provide Personal Injury Protection Coverage for any person for "bodily injury" sustained:

- 1. In an "accident" caused intentionally by that person.
- 2. By that person while in the commission of a felony.
- 3. By that person while attempting to elude arrest by a law enforcement official.
- 4. While "occupying" or when struck by, any motor vehicle (other than a "covered auto") which is owned by you.
- 5. By a "family member" while "occupying" or when struck by any motor vehicle (other than a "covered auto") which is owned by a "family member".

D. Limit Of Insurance

Regardless of the number of owned "covered autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" in any one "accident" is the limit of Personal Injury Protection shown in the Schedule or in the Declarations.

E. Changes In Conditions

- 1. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

However, our rights only apply against a person causing or contributing to the "accident" if, on the date of the "loss", the minimum limits required by Texas law have not been established for a motor vehicle involved in the "accident" and operated by that person.

- 2. The reference in the **Other Insurance** Condition in the Business Auto and Garage Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** Condition in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" is replaced by the following:

If there is other Personal Injury Protection Insurance, we will pay only our share. Our share is the proportion that our Limit Of Insurance bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible Personal Injury Protection Insurance.

- 3. The following Conditions are added:

a. Payment Provision

Loss Payments. Benefits are payable:

- (1) Not more frequently than every two weeks; and
- (2) Within 30 days after satisfactory proof of claim is received.

b. Assignment Of Benefits

Payments for medical benefits will be paid directly to a physician or other health care provider if we receive a written assignment signed by the covered person to whom such benefits are payable.

F. Additional Definitions

The following are added to the **Definitions** Section and have special meaning for Personal Injury Protection:

- 1. "Covered auto" means an "auto":
 - a. Owned or leased by you; or
 - b. While temporarily used as a substitute for an owned "covered auto" that has been withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction.

Liability coverage of this policy must apply to the "covered auto".

"Covered auto" includes "autos" (described in Paragraphs a. and b. above) for which Personal Injury Protection coverage has not been rejected in writing.

- 2. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
- 3. "Occupying" means in, upon, getting in, on, out or off.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A. We will pay, as interest may appear, you and the loss payee named in the policy for "loss" to a covered "auto".
- B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.
- C. We may cancel the policy as allowed by the CANCELLATION Common Policy Condition.

Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

- D. If we make any payments to the loss payee, we will obtain his or her rights against any other party.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
 - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the

custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**NOTICE TO POLICYHOLDER OF
COMMERCE AND INDUSTRY INSURANCE COMPANY**

This notice is to inform you of our loss control programs available in the State of Texas.

We have Field Safety Representatives with the experience and expertise to provide accident/loss prevention services reasonably commensurate with the hazard, loss experience, size and nature of your business operation.

Our services may include loss prevention surveys, risk exposure analysis, staff training, counseling, accident and loss analysis, worker health and safety evaluations, risk improvement recommendations, educational material and literature related to your specific profession or industry.

In the event you decide not to utilize our loss control services and opt to use your own safety department or hire an outside contractor, the service must be provided by qualified loss prevention representatives who are recognized by the State of Texas.

If you elect not to utilize our loss control services we require you to provide us with the following information (on your company letterhead stationary, signed by an officer of your firm):

- Acknowledgement of our offer of loss control services and your written rejection.
- Your reasons for selection of an alternative.
- Your alternative loss control program, which must be reasonably commensurate with the risk.
- Verification of the qualification of those who will be performing your loss control services.
- Acknowledgement that quarterly summaries of activities outlined in your loss control program will be submitted to us for review.

If you have any questions or wish to discuss this matter, contact our Texas Loss Control Service Coordinating Unit, Global Loss Prevention, Inc. at 1-800-221-0651.

**TEXAS
AUTOMOBILE THEFT PREVENTION
AUTHORITY FEE NOTICE**

Notice: The Automobile Theft Prevention Authority fee is payable in addition to the premium due under this policy. This fee reimburses the insurer, as permitted by 28 TAC 5.205 for the \$1.00 fee per motor vehicle year required to be paid to the Automobile Theft Prevention Fund under Texas Civil Statutes, Article 4413(37), 10, which became effective on June 6, 1991.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 09/23/2010 forms a part of

policy No. CA 757-40-12 issued to EFFECTIVE ENVIRONMENTAL, INC.

by COMMERCE AND INDUSTRY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, A - Loss Conditions, 5. - Transfer of Rights of Recovery Against Others to Us, is amended to add:

However, we will waive any right of recover we have against any person or organization with whom you have entered into a contract or agreement because of payments we make under this Coverage Form arising out of an "accident" or "loss" if:

- (1) The "accident" or "loss" is due to operations undertaken in accordance with the contract existing between you and such person or organization; and
- (2) The contract or agreement was entered into prior to any "accident" or "loss".

No waiver of the right of recovery will directly or indirectly apply to your employees or employees of the person or organization, and we reserve our rights or lien to be reimbursed from any recovery funds obtained by any injured employee.



AUTHORIZED REPRESENTATIVE

**ENDORSEMENT FOR
MOTOR CARRIER POLICIES OF INSURANCE FOR PUBLIC LIABILITY
UNDER SECTIONS 29 AND 30 OF THE MOTOR CARRIER ACT OF 1980**

Form Approved
OMB No. 2125-0074

Issued to **EFFECTIVE ENVIRONMENTAL, INC.** of **2515 SOUTH BELT LINE RD., MESQUITE, TX 75181**
Dated at **600 N. PEARL ST., DALLAS, TX 75201** this **28TH** day of **SEPTEMBER 2010**
Amending Policy No. **CA 757-40-12** Effective Date **06/29/2010**
Name of Insurance Company **COMMERCE AND INDUSTRY INSURANCE COMPANY**
Telephone Number **214-758-8506** Countersigned by *A. Angeline*
Authorized Company Representative

The policy to which this endorsement is attached provides primary or excess insurance, as indicated by " ☒ ", for the limits shown:

- ☒ This insurance is primary and the company shall not be liable for amounts in excess of \$ **1,000,000** for each accident.
☐ This insurance is excess and the company shall not be liable for amounts in excess of \$ _____ for each accident in excess of the underlying limit of \$ _____ for each accident.

Whenever required by the Federal Highway Administration (FHWA) or the Interstate Commerce Commission (ICC), the company agrees to furnish the FHWA or the ICC a duplicate of said policy and all its endorsements. The company also agrees, upon telephone request by an authorized representative of the FHWA or the ICC, to verify that the policy is in force as of a particular date. The telephone number to call is:

Cancellation of this endorsement may be effected by the company or the insured by giving (1) thirty-five (35) days notice in writing to the other party (said 35 days notice to commence from the date the notice is mailed, proof of mailing shall be sufficient proof of notice), and (2) if the insured is subject to the ICC's jurisdiction, by providing thirty (30) days notice to the ICC (said 30 days notice to commence from the date the notice is received by the ICC at its office in Washington, D.C.).

DEFINITIONS AS USED IN THIS ENDORSEMENT

ACCIDENT includes continuous or repeated exposure to conditions which results in bodily injury, property damage, or environmental damage which the insured neither expected nor intended.

MOTOR VEHICLE means a land vehicle, machine, truck, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used on a highway for transporting property, or any combination thereof.

BODILY INJURY means injury to the body, sickness, or disease to any person, including death resulting from any of these.

ENVIRONMENTAL RESTORATION means restitution for the loss,

damage, or destruction of natural resources arising out of the accidental discharge, dispersal, release or escape into or upon the land, atmosphere, watercourse, or body of water, of any commodity transported by a motor carrier. This shall include the cost of removal and the cost of necessary measures taken to minimize or mitigate damage to human health, the natural environment, fish, shellfish, and wildlife.

PROPERTY DAMAGE means damage to or loss of use of tangible property.

PUBLIC LIABILITY means liability for bodily injury, property damage, and environmental restoration.

The insurance policy to which this endorsement is attached provides automobile liability insurance and is amended to assure compliance by the insured, within the limits stated herein, as a motor carrier of property, with Sections 29 and 30 of the Motor Carrier Act of 1980 and the rules and regulations of the Federal Highway Administration (FHWA) and the Interstate Commerce Commission (ICC).

In consideration of the premium stated in the policy to which this endorsement is attached, the insurer (the company) agrees to pay, within the limits of liability described herein, any final judgment recovered against the insured for public liability resulting from negligence in the operation, maintenance or use of motor vehicles subject to the financial responsibility requirements of Sections 29 and 30 of the Motor Carrier Act of 1980 regardless of whether or not each motor vehicle is specifically described in the policy and whether or not such negligence occurs on any route or in any territory authorized to be served by the insured or elsewhere. Such insurance as is afforded, for public liability, does not apply to injury to or death of the insured's employees while engaged in the course of their employment, or property transported by the insured, designated as cargo. It is understood and agreed that no condition, provision, stipulation, or limitation contained in the policy, this endorsement, or any other endorsement thereon, or

violation thereof, shall relieve the company from liability or from the payment of any final judgment, within the limits of liability herein described, irrespective of the financial condition, insolvency or bankruptcy of the insured. However, all terms, conditions, and limitations in the policy to which the endorsement is attached shall remain in full force and effect as binding between the insured and the company. The insured agrees to reimburse the company for any payment made by the company on account of any accident, claim, or suit involving a breach of the terms of the policy, and for any payment that the company would not have been obligated to make under the provisions of the policy except for the agreement contained in this endorsement.

It is further understood and agreed that, upon failure of the company to pay any final judgment recovered against the insured as provided herein, the judgment creditor may maintain an action in any court of competent jurisdiction against the company to compel such payment.

The limits of the company's liability for the amounts prescribed in this endorsement apply separately, to each accident, and any payment under the policy because of any one accident shall not operate to reduce the liability of the company for the payment of final judgments resulting from any other accident.

The Motor Carrier Act of 1980 requires limits of financial responsibility according to the type of carriage and commodity transported by the motor carrier. It is the MOTOR CARRIER'S obligation to obtain the required limits of financial responsibility.

THE SCHEDULE OF LIMITS SHOWN ON THE REVERSE SIDE DOES NOT PROVIDE COVERAGE.

The limits shown in the schedule are for information purposes only.

SCHEDULE OF LIMITS
Public Liability

Type of Carriage	Commodity Transported	Minimum Insurance
(1) For-hire (in interstate or foreign commerce).	Property (nonhazardous)	\$ 750,000
(2) For-hire and Private (in interstate, foreign, or intrastate commerce).	Hazardous substances transported in cargo tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons; or in bulk Class A or B explosives, poison gas (Poison A), liquefied compressed gas or compressed gas; or highway route controlled quantity radioactive materials.	5,000,000
(3) For-hire and Private (in interstate or foreign commerce: in any quantity) or (in intrastate commerce: in bulk only).	Oil listed in 49 CFR 172.101, hazardous waste, hazardous materials and hazardous substances defined in 49 CFR 171.8 and listed in 49 CFR 172.101, but not mentioned in (2) above or (4) below.	1,000,000
(4) For-hire and Private (in interstate or foreign commerce)	Any quantity of Class A or B explosives, any quantity of poison gas (Poison A), or highway route controlled quantity radioactive materials.	5,000,000

Note: The type of carriage listed under (1), (2), and (3) apply to vehicles with a gross vehicle weight rating of 10,000 pounds or more. The type of carriage listed under number (4) applies to all vehicles with gross vehicle weight rating of less than 10,000 pounds.

SCHEDULE OF LIMITS
Public Liability

For-hire motor carriers of passengers operating in interstate or foreign commerce

Vehicle Seating Capacity	Minimum Insurance
(1) Any vehicle with a seating capacity of 16 passengers or more.	\$ 5,000,000
(2) Any vehicle with a seating capacity of 15 passengers or less.	1,500,000

ENDORSEMENT

This endorsement, effective 12:01A.M. 09/23/2010 forms a part of

policy No. CA 757-40-12 issued to EFFECTIVE ENVIRONMENTAL, INC.

by COMMERCE AND INDUSTRY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSURANCE PRIMARY AS TO CERTAIN ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Section IV - Business Auto Conditions, B., General Conditions, 5., Other Insurance, c., is amended by the addition of the following sentence:

The insurance afforded under this policy to an additional insured will apply as primary insurance for such additional insured where so required under an agreement executed prior to the date of accident. We will not ask any insurer that has issued other insurance to such additional insured to contribute to the settlement of loss arising out of such accident.

All other terms and conditions remain unchanged.



Authorized Representative or
Countersignature (in States Where
Applicable)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 09/23/2010 forms a part of

policy No. CA 757-40-12 issued to EFFECTIVE ENVIRONMENTAL, INC.

by COMMERCE AND INDUSTRY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This insurance does not apply to loss, injury, damage, claim or suit, arising directly or indirectly as a result of, in connection with, or relating to "terrorism" including but not limited to:

1. Any action taken in hindering or defending against an actual or expected incident of "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage; and
2. Any contemporaneous or ensuing loss caused by explosion, fire, heat, vandalism, looting, theft, civil commotion, rebellion or insurrection.

However, coverage is available to the extent that this policy is required to respond to minimum limits for liability as such minimums are established under various state laws for automobile liability insurance.

This exclusion only applies if one or more of the following are attributable to an incident of "terrorism":

1. The total of damages and/or loss to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include the replacement cost, without deduction for depreciation, for all damage sustained by any property affected by the "terrorism" and business interruption losses sustained by owners or occupants of damaged property; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of any bodily member or organ; or
3. The "terrorism" involves the actual, alleged or threatened use, release, escape, dispersal, application and or existence of:
 - a. Any nuclear reaction;
 - b. Radioactive materials or "nuclear materials" in any form and from any source;
 - c. Radionuclides;
 - d. Radiation emitted from any radioactive source whether natural or manmade; and/or
 - e. Electromagnetic pulses; or
4. The "terrorism" involves the actual, alleged or threatened use, release, escape, dispersal and/or application of pathogenic or poisonous chemical or "biological" materials, whether natural, manmade, living or dead.

Multiple incidents of "terrorism" that occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership will be considered to be one incident.

DEFINITIONS - The following definitions shall apply:

1. "Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:
 - a. A government;
 - b. The civilian population of a country, state or community; or
 - c. To disrupt the economy of a country, state or community.
2. "Nuclear materials" means "source material," "special nuclear material" or "by-product material." "Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
3. "Biological" materials includes all microorganisms, viruses, rickettsia, prions, nucleic acids, toxins, toxin-producing agents, and poisons produced by biological organisms.

All other terms and conditions of the policy are the same.



Authorized Representative or
Countersignature (in States Where
Applicable)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 09/23/2010 forms a part of

policy No. CA 757-40-12 issued to EFFECTIVE ENVIRONMENTAL, INC.

by COMMERCE AND INDUSTRY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT - COVERAGE TERRITORY

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



Authorized Representative or
Countersignature (in States Where
Applicable)

TEXAS NOTICE

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call the Company's toll-free telephone number for information or to make a complaint at:

1-877-541-9748

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de teléfono gratis de la compania para informacion o para someter una queja al:

1-877-541-9748

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

CHARTIS SPECIALTY INSURANCE COMPANY

(A Capital Stock Company, herein called the Company)

175 Water Street
New York, NY 10038

COMMERCIAL GENERAL LIABILITY AND PROFESSIONAL LIABILITY POLICY

POLICY NUMBER: PROP 12427439

RENEWAL OF: 12427439

NOTICE: COVERAGE D IS CLAIMS MADE -- PLEASE READ THE ENTIRE FORM CAREFULLY. UNDER COVERAGE D (PROFESSIONAL LIABILITY) OF THIS POLICY, AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT AND ALSO SHALL REDUCE THE LIMIT OF LIABILITY AVAILABLE TO PAY OTHER COSTS COVERED BY THIS INSURANCE. PLEASE READ CAREFULLY.

IN RETURN FOR THE PAYMENT OF PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

DECLARATIONS

Item 1. **NAMED INSURED:** EFFECTIVE ENVIRONMENTAL, INC

ADDRESS: 2515 S BELT LINE RD
BALCH SPRINGS, TX 75181-2015

Item 2. **POLICY PERIOD:** FROM: September 23, 2010 TO: March 23, 2012
at 12:01 A.M. Standard Time at the address of the Named Insured shown above.

Item 3. **LIMITS OF INSURANCE:**

GENERAL AGGREGATE LIMIT (Other than Products-Completed Operations)	\$2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$2,000,000
PERSONAL & ADVERTISING INJURY LIMIT	\$1,000,000
EACH OCCURRENCE LIMIT	\$1,000,000
EACH LOSS LIMIT (Coverage D)	\$1,000,000
FIRE DAMAGE LIMIT	\$300,000 Any One Fire
MEDICAL EXPENSE LIMIT	\$25,000 Any One Person

Item 4. **DEDUCTIBLES:** **COVERAGE A & B: See Deductible Liability Endorsement**
COVERAGE D: \$25,000.00

Item 5. **RETROACTIVE DATES:** Coverage D of this Insurance does not apply to acts, errors or omissions which occur before the Retroactive Date, if any, shown below:

RETROACTIVE DATE: MAY 19, 2003

Item 6. **FORMS OF BUSINESS :**

<input type="checkbox"/> Individual	<input type="checkbox"/> Partnership	<input type="checkbox"/> Joint Venture	<input checked="" type="checkbox"/> Organization (Other than Partnership or Joint Venture)
Business Description:			AS PER APPLICATION
Location of All Premises You Own, Rent or Occupy:			AS PER APPLICATION

Item 7. **POLICY PREMIUM:** \$73,213.00

Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002:
\$3,153.00 included in Policy Premium

Surplus Lines Tax: \$3,550.83
Stamping Fees: \$43.93

Producer:

INSURANCE ALLIANCE
1776 YORKTOWN ST
STE 200
HOUSTON, TX 77056-4142

Forms and Endorsements made a part of this policy: Application and Schedule (attached)



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)
October 7, 2010

POLICYHOLDER NOTICE

Thank you for purchasing insurance from the Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at www.chartisinsurance.com/producercompensation or by calling 1-800-706-3102.

Gaining the Ultimate Value-Added Advantage Through Chartis

Insured: EFFECTIVE ENVIRONMENTAL, INC

Policy #: PROP 12427439

Effective Date: September 23, 2010

Thank you for purchasing your environmental insurance policy through Chartis!

At Chartis, we enhance the coverage of every environmental insurance policy by giving insureds complimentary access to the following tools and programs proven to help manage environmental risk, mitigate environmental losses, and conduct loss control:

PIER (Pollution Incident and Environmental Response)

Policyholders have access to pre-screened crisis management specialists who respond in a timely manner to environmental incidents at pre-negotiated rates. Environmental insurance policyholders are automatically enrolled in this program.

- To access the right resources to respond to an environmental incident, call 1-877-PIER-NOW (743-7669).

Claims Expertise

Our pollution claims operation, with 80+ claims specialists, is the largest in the industry.

- Report your claim by either sending a fax to 1-866-260-0104 or emailing severityfnol@chartisinsurance.com

RiskTool System

The complimentary, web-based system brings together a myriad of information that a company needs to manage Environmental, Health and Safety (EH&S) programs in one virtual "reference desk." By supporting on-line management and tracking of EH&S issues and providing templates, RiskTool System presents a turnkey way to put an EH&S program in place.

- Go to www.risktool.com to register and have your environmental insurance policy number in hand.

SCAN (Specialty Claims Assistance Network)

Specialists are available to swiftly address indoor air quality issues that are faced by our insureds, thus helping them mitigate water and mold damage.

- Initiate a quick response with SCAN: 1-877-743-7669.

Transportation Loss Control Programs

We provide a number of transportation-related programs for insureds that reinforce positive driving behavior and potential improvements in loss reduction. These programs include preventive driving sessions and mock Department of Transportation audits.

- To learn more, contact environmental@chartisinsurance.com

Environmental Portal

Portal is secure, Internet-based system that allows our clients to track environmental insurance policies for multiple site portfolios. Policyholders can check the status of coverage requests 24/7, upload and download policy-related reports and documents, and more.

- Register for Environmental Portal by visiting www.chartisinsurance.com

Chartis is committed to the achievement of effective risk management objectives for clients as well as providing them access to incident response assistance in the event of a pollution-release event.

Thank you,



Kimberly Hanna
President, Environmental
Chartis

Chartis is the marketing name for the worldwide property-casualty and general insurance operations of Chartis Inc. For additional information, please visit our website at www.chartisinsurance.com. All products are written by insurance company subsidiaries or affiliates of Chartis Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain coverage may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.

CHARTIS 
Your world, insured

POLICYHOLDER DISCLOSURE STATEMENT
UNDER
TERRORISM RISK INSURANCE ACT OF 2002

You are hereby notified that under the federal Terrorism Risk Insurance Act of 2002 (the "Act") effective November 26, 2002, you now have a right to purchase insurance coverage for losses arising out of an Act of Terrorism, which is defined in the Act as an act certified by the Secretary of the Treasury (i) to be an act of terrorism, (ii) to be a violent act or an act that is dangerous to (A) human life; (B) property or (C) infrastructure, (iii) to have resulted in damage within the United States, or outside of the United States in case of an air carrier or vessel or the premises of a U.S. mission and (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. You should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism and thus covered by this law is final and not subject to review. There is a \$100 billion dollar annual cap on all losses resulting from Acts of Terrorism above which no coverage will be provided under this policy and under the Act unless Congress makes some other determination.

For your information, coverage provided by this policy for losses caused by an Act of Terrorism may be partially reimbursed by the United States under a formula established by the Act. Under this formula the United States pays 90% of terrorism losses covered by this law exceeding a statutorily established deductible that must be met by the insurer, and which deductible is based on a percentage of the insurer's direct earned premiums for the year preceeding the Act of Terrorism.

Coverage for Acts of Terrorism is included in the policy referenced below. The portion of your policy premium that is attributable to coverage for Acts of Terrorism covered by the Act is \$3,153.00.

The premium stated herein does not include any surplus lines taxes or fees that may be applicable, which are the responsibility of the insured. It is the broker's responsibility to follow applicable state surplus lines laws and, in particular, to see that the appropriate premium tax (and stamping office fee, if applicable) is collected from you and paid.

CHARTIS SPECIALTY INSURANCE COMPANY
NAMED INSURED: EFFECTIVE ENVIRONMENTAL, INC
POLICY #: PROP 12427439
EFFECTIVE DATES: 09/23/2010 TO 03/23/2012

TEXAS NOTICE

(Surplus Lines)

IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

Guaranty Fund Nonparticipation Notice

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of a 4.85% tax on gross premium.

Armand G. Pepin, Surplus Lines Broker
Chartis Insurance Agency, Inc.
TX Corporate Non-Resident Surplus Lines License #1462713
100 Connell Drive, Berkeley Heights NJ 07922

CHARTIS SPECIALTY INSURANCE COMPANY

COMMERCIAL GENERAL LIABILITY AND PROFESSIONAL LIABILITY POLICY

NOTICE: COVERAGE D PROVIDES "CLAIMS-MADE-AND-REPORTED" COVERAGE, AND HAS REPORTING REQUIREMENTS DIFFERENT FROM THOSE FOR COVERAGES A AND B. COVERAGE D REQUIRES THAT A CLAIM BE FIRST MADE UPON THE INSURED AND REPORTED IN WRITING TO US DURING THE SAME POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF ANY.

PLEASE READ THE ENTIRE FORM CAREFULLY.

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in bold have special meaning. Refer to DEFINITIONS (Section VI).

The statements in the Insured's application for this Policy are the Insured's representations, are hereby deemed material and are hereby made a part of this Policy. This Policy has been issued based upon the truth and accuracy of such representations. This Policy includes all of the agreements existing between the Insured and the Company or any of its agents relating to this Policy.

In any endorsement to this policy, all references to COMMERCIAL GENERAL LIABILITY COVERAGE PART shall be deemed to be replaced with the following reference on each occasion: COMMERCIAL GENERAL LIABILITY AND PROFESSIONAL LIABILITY POLICY.

SECTION I - COVERAGES

COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of **bodily injury** or **property damage** to which this insurance applies. We will have the right and duty to defend the insured against any **suit** seeking those damages. However, we will have no duty to defend the insured against any **suit** seeking damages for **bodily injury** or **property damage** to which this insurance does not apply. We may at our discretion investigate any **occurrence** and settle any **claim** or **suit** that may result but:
 - (1) The amount we will pay for damages is limited as described in Section III - LIMITS OF INSURANCE AND DEDUCTIBLE; and
 - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B, medical expenses under Coverage C, or loss under Coverage D.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to **bodily injury** and **property damage** only if:

- (1) The **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**; and
 - (2) The **bodily injury** or **property damage** occurs during the **policy period**.
- c. Damages because of **bodily injury** include damages claimed by any person or organization for care, loss of services or death resulting at any time from the **bodily injury**.

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

Bodily injury or **property damage** expected or intended from the standpoint of the insured. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

Bodily injury or **property damage** for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. The exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an **insured contract** provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an **insured contract**, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of **bodily injury** or **property damage**, provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same **insured contract**; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

Bodily injury or **property damage** for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers• Compensation And Similar Laws

Any obligation of the insured under a workers•compensation, disability benefits or unemployment compensation law or any similar law.

e. **Employer's Liability**

Bodily injury to:

- (1) An **employee** of the insured, arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that **employee** as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an **insured contract**.

f. **Pollution**

- (1) **Bodily injury** or **property damage** arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.
- (2) Any **loss**, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (b) **Claim** or **suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.
- (3) Part (1) of this exclusion does not apply to:
 - (a) **Bodily injury** or **property damage** arising out of heat, smoke or fumes from a **hostile fire** at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. This applies only when such premises, site or location has never at anytime been used by anyone for the handling, storage, disposal, processing or treatment of waste.
 - (b) **Bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building.
- (4) This exclusion does not apply to **bodily injury** or **property damage** when:
 - (a) The actual or alleged discharge, dispersal, seepage, migration, release or escape of **pollutants** arises out of **your work** and takes place at a job site where you or your subcontractors are working; and
 - (b) Such job site was never at any time owned or occupied by, or rented or loaned to any insured, other than an insured which is an additional insured or qualifies as an insured under Section II, paragraph 5.

- (5) This exclusion does not apply to **bodily injury or property damage** when the actual or alleged discharge, dispersal, seepage, migration, release or escape of **pollutants** arises out of the **products-completed operations hazard of your work**, as described in Section VI - DEFINITIONS, paragraph 23.
- (6) With respect to paragraphs (4) and (5) of this exclusion, in determining whether **bodily injury or property damage** has occurred during the **policy period**, the following rules apply:
 - (a) Progressive, indivisible **bodily injury or property damage** over a period of days, weeks, months or longer, caused by related or continuous exposure to substantially the same general harmful conditions or substances, shall be deemed to have occurred only on the date of first exposure to such conditions or substances.
 - (b) However, if the date of first exposure cannot be determined, or is before the inception date of the first policy we issued to you which provides coverage substantially similar to that provided under paragraphs (4) and (5) above, but the progressive, indivisible **bodily injury or property damage** continues in fact to exist during this **policy period**, it will be deemed to have occurred only on the inception date of the first such Policy.
 - (c) An **occurrence** may result in **bodily injury or property damage** which occurs during the policy periods of different policies we issued to you which provide coverage substantially similar to that provided under paragraphs (4) and (5) of this exclusion. In that case, all **bodily injury and property damage** resulting from such **occurrence** shall be subject to the Each Occurrence Limit applicable to the first such Policy during which any of such **bodily injury or property damage** occurred.

g. Aircraft, Auto Or Watercraft

Bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **auto** or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and **loading or unloading**.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent,
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an **auto** on, or on the ways next to, premises you own or rent, provided the **auto** is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any **insured contract** for the ownership, maintenance or use of aircraft or watercraft;
- (5) **Bodily injury or property damage** arising out of the operation of any of the equipment listed in paragraph f. (2) or f. (3) of the definition of **mobile equipment** (Section VI); or
- (6) **Bodily Injury or property damage** within the exceptions described in sub-paragraphs (4) and (5) of Exclusion f., Pollution, of SECTION 1. - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. EXCLUSIONS, and which is caused by:

(a) **Loading or unloading** of any aircraft, **auto** or watercraft owned or operated by or rented or loaned to any insured; or

(b) Transportation of materials on the job site where you are performing **your work**.

h. **Mobile Equipment**

Bodily injury or property damage arising out of:

- (1) The transportation of **mobile equipment** by an **auto** owned or operated by or rented or loaned to any insured; or
- (2) The use of **mobile equipment** in, or while in practice for, or while being prepared for, any prearranged racing speed, demolition or stunting activity.

i. **War**

Bodily injury or property damage due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. **Damage To Property**

Property damage to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the **property damage** arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the **property damage** arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because **your work** was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to **property damage** (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - LIMITS OF INSURANCE AND DEDUCTIBLE.

Paragraph (2) of this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to **property damage** included in the **products-completed operations hazard**.

k. **Damage to your product**

Property damage to **your product** arising out of it or any part of it.

l. **Damage To Your Work**

Property damage to your work arising out of it or any part of it and included in the products-completed operations hazard.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. **Damage To Impaired Property Or Property Not Physically Injured**

Property damage to **impaired property** or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**, or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **your product** or your work after it has been put to its intended use.

n. **Recall Of Products, Work Or Impaired Property**

Damages claimed for any **loss**, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) **Your product** ;
- (2) **Your work** ; or
- (3) **Impaired property** ;

if such product, work, or property is withdrawn or recalled from the **market** or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. **Personal And Advertising Injury**

Bodily injury arising out of **personal and advertising injury** .

p. **Asbestos**

- (1) **Bodily injury** arising out of the presence, ingestion or inhalation of, or exposure to, asbestos in any form or products containing asbestos; or
- (2) **Property damage** arising out of the presence of, or exposure to, asbestos in any form or products containing asbestos.

This exclusion does not apply to **bodily injury** or **property damage** within the exceptions described in sub-paragraphs (4) and (5) of Exclusion f., Pollution of Section 1. - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. EXCLUSIONS.

q. **Lead**

- (1) **Bodily injury** arising out of the presence, ingestion, inhalation or absorption of, or exposure to, lead in any form or products containing lead; or
- (2) **Property damage** arising out of the presence of, or exposure to, lead in any form or products containing lead.

This exclusion does not apply to **bodily injury** or **property damage** within the exceptions described in sub-paragraphs (4) and (5) of Exclusions f., Pollution of Section 1. - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. EXCLUSIONS.

r. **Employment - Related Practices**

Bodily injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of **bodily injury** to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. **Professional Services**

Bodily injury or **property damage** arising out of the rendering of or failure to render any **professional services** by or for you by any engineer, architect, consultant or surveyor who is either employed by you or performing work on your behalf in such capacity.

t. **Nuclear Material**

Any **claim** for **bodily injury** or **property damage** resulting from the radioactive, toxic or explosive properties of **nuclear material**, and for which the United States Department of Energy or any other government authority has indemnified the Named Insured, or for which the Price Anderson Act provides protection for the Named Insured.

u. **Waste Disposal Site**

Any **claim** based upon or arising out of any waste or products or materials which have been delivered to a **waste disposal site**, beyond the boundaries of a site at which **your work** is being performed

v. **Covered by Other Coverages**

Any **claim** or part thereof which may be alleged as covered under this Coverage of this Policy if we have accepted coverage or coverage has been held to apply for such **claim** or part thereof under any other coverage in this Policy. This exclusion does not apply to any **claim** for medical expenses under Coverage C caused by **bodily injury** which is covered under Coverage A.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - LIMITS OF INSURANCE AND DEDUCTIBLE .

COVERAGE B. - PERSONAL AND ADVERTISING INJURY LIABILITY

1. **Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of **personal and advertising injury** to which this insurance applies. We will have the right and duty to defend the insured against any **suit** seeking those damages. However, we will have no duty to defend the insured against any **suit** seeking damages for **personal and advertising injury** to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any **claim** or **suit** that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - LIMIT OF INSURANCE AND DEDUCTIBLE; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B, medical expenses under Coverage C, or **loss** under Coverage D.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to **personal and advertising injury** caused by an offense arising out of your business but only if the offense was committed in the **coverage territory** during the **policy period**.

2. **Exclusions**

This insurance does not apply to:

a. **Personal and advertising injury:**

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict **personal and advertising injury**;
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the **policy period**;
- (4) Arising out of a criminal act committed by or at the direction of any insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your **advertisement**;
 - (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your **advertisement**;
 - (8) Arising out of the wrong description of the price of goods, products or services stated in your **advertisement**;
 - (9) Committed by an insured whose business is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to Paragraphs 19.a., b. and c. of **personal and advertising injury** under Section VI - DEFINITIONS;
 - (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time;
 - (11) Arising out of the presence, ingestion or inhalation of, or exposure to, asbestos in any form or products containing asbestos;
 - (12) Arising out of the presence, ingestion, inhalation or absorption of, or exposure to, lead in any form or products containing lead;
 - (13) Arising out of:
 - (a) An error, omission, defect or deficiency in:
 - (i) any test performed;
 - (ii) an evaluation, a consultation or advise given by, or on behalf of, any insured;
 - (b) The reporting of or reliance upon any such test, evaluation, consultation or advise; or
 - (c) An error, omission, defect or deficiency in experimental data or the insured's interpretation of that data.
 - (14) Resulting from the radioactive, toxic or explosive properties of **nuclear material**, and for which the United States Department of Energy or any other government authority has indemnified the Named Insured, or for which the Price Anderson Act provides protection for the Named Insured.
- b. Any **loss**, cost or expense arising out of any:
- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (2) Any **claim** or **suit** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of **pollutants**.
- c. **Personal and advertising injury** to:
- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or

- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of **personal and advertising injury** to that person at whom any of the employment-related practices described in paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
 - (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- d. **Personal and advertising injury** arising out of the rendering or failure to render any **professional services** by or for you.
- e. Any **claim** or part thereof which may be alleged as covered under this Coverage of this Policy if we have accepted coverage or coverage has been held to apply for such **claim** under any other coverage in this Policy.

COVERAGE C. - MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for **bodily injury** caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (1) The accident takes place in the **coverage territory** and during the **policy period**;
 - (2) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
- (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions.

We will not pay expenses for **bodily injury**:

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an **employee** of any insured, if benefits for the **bodily injury** are payable or must be provided under a workers compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the **products-completed operations hazard**.
- g. Excluded under Coverage A.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

COVERAGE D. - PROFESSIONAL LIABILITY

1. Insuring Agreement

A. Coverage

We will pay on behalf of the insured, **loss** that the insured is legally obligated to pay as a result of **claims** first made against the insured and reported to the Company in writing during the **policy period** for actual or alleged errors or omissions arising out of **professional services** rendered by or on behalf of the insured provided:

- 1. The **professional services** which result in a **claim** must commence on or after the Retroactive Date stated in the Declarations; and
- 2. The insured must report the **claim** to the Company in accordance with Section IV. 2. of this Policy during the **policy period**, within sixty (60) days immediately following the end of the **policy period**, or during the Extended Reporting Period if applicable.

B. Defense

When a **claim** is made against the insured to which Paragraph 1.A. above applies, we have the right to appoint counsel and the duty to defend such **claim**, even if groundless, false, or fraudulent.

Upon the insured's satisfaction of any applicable deductible amounts, **claim expenses** shall be paid by us and such payments shall be included as **loss** and reduce the available Limit of Insurance. We shall not be obligated to defend or continue to defend any **claim** after the applicable Limit of Insurance has been exhausted by payment of **loss**.

C. Settlement

We will not settle or compromise a **claim** without the consent of the insured. If the insured refuses to consent to a settlement or compromise recommended by the us and elects to contest such **claim** or continue legal proceedings in connection with such **claim**, our Limit of Liability for the **claim** shall not exceed the amount for which the **claim** could have been so settled plus **claim expenses** incurred up to the date of such refusal, subject to the applicable Limits of Insurance of this Policy.

2. Exclusions

This insurance does not apply to:

- a. Any **claim** based upon or arising out of **professional services** rendered prior to the inception date of this Policy, if any of your managers, supervisors, officers, directors, or partners knew or reasonably could have foreseen that such **professional services** could give rise to a **claim** under this Policy.
- b. (1) Any **claim** based upon or arising out of any fraudulent, criminal, or malicious act or omission, or those of a knowingly wrongful nature committed intentionally by or at the direction of an insured; or
(2) Any **claim** based upon or arising out of your knowing, willful or deliberate noncompliance with an statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body.

This exclusion shall not apply to an insured who did not commit, participate in or have knowledge of such act, omission or noncompliance.

- c. Any **claim** brought by one insured against any other insured.
- d. Any **claim** based upon or arising out of discrimination by an insured on the basis of race, creed, national origin, disability, age, marital status, sex, or sexual orientation.
- e. Any **claim** based upon or arising out of any insured's involvement as a partner, officer, director, stockholder, employer or **employee** of any business enterprise not named in the Declarations.
- f. Any **claim** based upon or arising out of an insured's involvement in **professional services** rendered to, or on behalf of, any organization, or subsidiary or affiliate thereof, not named in the Declarations, which an insured controls, manages, operates or holds more than a 25% ownership interest in, or which controls, manages, operates or holds more than a 25% ownership interest in an insured.
- g. Any **claim** based upon or arising out of the design or manufacture of **your product**.
- h. Any **claim** based upon or arising out of express warranties or guarantees, provided that this exclusion shall not apply if **loss** would have resulted in the absence of such express warranties or guarantees.
- i. Any **claim** arising out of the insured's requiring, obtaining, maintaining, advising or failing to require, obtain, maintain or advise of any bond, suretyship or any form of insurance.
- j. Any **claim** arising out of the cost to repair or replace faulty workmanship, assembly, construction, erection, fabrication, installation or remediation if such work is performed in whole or in part by:
 - (1) An insured; or
 - (2) Any organization, or subsidiary or affiliate thereof, which an insured controls, manages, operates or holds more than a 25% ownership interest in, or which controls, manages, operates or holds more than a 25% ownership interest in an insured.
- k. Any **claim** based upon or arising out of liability of others assumed by you under any contract or agreement. This exclusion does not apply to liability:
 - (1) For actual or alleged errors or omissions arising out of **professional services** rendered by or on behalf of the insured;
 - (2) That you would have in the absence of the contract or agreement.
- l. Any **claim** for any civil, administrative or criminal fines or penalties imposed directly against an insured.

- m. Any **claim** based upon or arising out of the bankruptcy or insolvency of an insured or of any other person, firm or organization.
- n. Any **claim** for **bodily injury** sustained by any of your **employees** while employed by you, or by any person whose right to assert a **claim** against you arises by reason of any employment, blood, marital, or any other relationship with the **employee**.
- o. Any **claim** based upon or arising out of any obligation for which an insured or any party may be held liable under any employment, workers' compensation, disability benefits, or other similar laws.
- p. Any **claim** based upon or arising out of the entrustment, maintenance, operation, use, **loading or unloading** of any watercraft, aircraft, **auto, mobile equipment** or rolling stock of any kind, which is owned, operated, rented by or loaned to an insured.
- q. Any **claim** based upon or arising out of any waste or products or materials which have been delivered to a location beyond the boundaries of a site for which an insured is rendering **professional services**.
- r. Any **claim** in connection with any real property or facility which is or was at any time owned, operated, rented, or occupied by you or by any entity that:
 - (1) Wholly or partly owns, operates, manages, or otherwise controls you; or
 - (2) Is wholly or partly owned, operated, managed, or otherwise controlled by you.
- s. Any **claim** or part thereof which may be alleged as covered under this Coverage of this Policy, if we have accepted coverage or coverage has been held to apply for such **claim** or part thereof under any other Coverage in this Policy.
- t. Any **claim** for **bodily injury or property damage** resulting from the radioactive toxic or explosive properties of **nuclear material**, and for which you are indemnified by the United States Department of Energy or any other government authority, or for which you are provided protection by the Price Anderson Act.

SUPPLEMENTARY PAYMENTS

- 1. With respect to Coverages A and B, we will pay, with respect to any **claim** we investigate or settle, or any **suit** against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the **claim** or **suit**, including actual loss of earnings up to \$250 a day because of time off from work, except as provided in paragraph 3, below.
 - e. All costs taxed against you in the **suit**.
 - f. Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. With respect to Coverages A and B, if we defend an insured against a **suit** and an indemnitee of the insured is also named as a party to the **suit**, we will defend that indemnitee if all of the following conditions are met:
 - a. The **suit** against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**;
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by the insured in the same **insured contract**;
 - d. The allegations in the **suit** and the information we know about the **occurrence** are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such **suit** and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the **suit**;
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **suit**;
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the **suit**; and
 - (b) Conduct and control the defense of the indemnitee in such **suit**.

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, such payments will not be deemed to be damages for **bodily injury** and **property damage** and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

3. With respect to Coverages A, B and D, we will pay up to \$500 to each insured for each day or part of a day that any insured attends as a witness at any trial, deposition, or interrogatory at which we have requested the insured's attendance, or when such attendance is required by court. This payment shall only apply to appearances involving **claims** against an insured. The maximum payable amount for such appearances made during the policy period shall not exceed \$5,000 as a total aggregate regardless of how many appearances are actually made during the policy period, or how many different insureds make appearances, and regardless of any other fact, circumstance, or situation.

These payments will not reduce the limits of insurance.

INDEPENDENT COUNSEL - COVERAGES A, B AND D

In the event the insured is entitled by law to select independent counsel to defend the insured at our expense, the attorney fees and all other litigation expenses we must pay to that counsel are limited to the rates we actually pay to counsel we retain in the ordinary course of business in the defense of similar **claims** in the community where the **claim** arose or is being defended.

Additionally, we may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **claims** similar to the one pending against the insured and to require such counsel to have errors and omissions insurance coverage. As respects any such counsel, the insured agrees that counsel will timely respond to our requests for information regarding the **claim**.

Furthermore, the insured may at any time, by the insured's signed consent, freely and fully waive its right to select independent counsel.

SECTION II. - WHO IS AN INSURED

1. Under Coverages A, B and C, if you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your **executive officers** and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Under Coverages A, B and C, each of the following is also an insured:
 - a. Your **employees**, other than either your **executive officers** (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these **employees** is an insured for:
 - (1) **Bodily injury or personal and advertising injury**:
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to another **employee** while that other **employee** is either in the course of his or her employment or while performing duties related to the conduct of your business;

- (b) To the spouse; child, parent, brother or sister of that other **employee** as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) **Property damage** to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your **employees**, any partner or member (if you are a partnership or joint venture) or, any member (if you are a limited liability company).

- b. Any person (other than your **employee**) or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under the applicable Coverage Section.
3. Under Coverages A, B and C, with respect to **mobile equipment** registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- a. **Bodily injury** to another **employee**, employed along with the person driving the equipment; or
 - b. **Property damage** to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
4. Under Coverages A, B and C, any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the **policy period**, whichever is earlier.
 - b. Coverage A does not apply to **bodily injury** or **property damage** that occurred before you acquired or formed the organization.
 - c. Coverage B does not apply to **personal and advertising injury** arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as the Named Insured in Item 1 of the Declarations.

5. Under Coverage A, all clients whom you have agreed, by written contract, to include as additional insureds, but only for liability arising out of **your work**, and excluding liability arising out of such clients own negligence.
6. Under Coverage D., each of the following is an insured:
 - a. The person or entity designated as the Named Insured in Item 1 of the Declarations;
 - b. Any person who is or was a partner, officer, director, stockholder or **employee** of the Named Insured but only while rendering **professional services** on behalf of the Named Insured; and
 - c. The heirs, executors, administrators, and legal representatives of each insured as defined in paragraphs a., and b. above in the event of death, incapacity or bankruptcy of the insured, but only with respect to liability arising out of **professional services** rendered by the Named Insured prior to such insured's death, incapacity or bankruptcy.

SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. **Claims** made or **suits** brought; or
 - c. Persons or organizations making **claims** or bringing **suits**.
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages, other than those covered under paragraph (5) of Exclusion f., Pollution, in Section I., Coverage A, because of **bodily injury** or **property damage** included in the **products-completed operations hazard** ;
 - c. Damages under Coverage B; and
 - d. **Loss** under Coverage D.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of **bodily injury** and **property damage** included in the **products-completed operations hazard** .
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all **personal and advertising injury** sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C,
 because of all **bodily injury** and **property damage** arising out of any one **occurrence**.
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of **property damage** to any one premises while rented to you, or in case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of **bodily injury** sustained by any one person.
8. Subject to 2. above, the Each Loss Limit is the most we will pay under Coverage D for all **loss** for each covered **claim**. If a **claim** is first made against the insured and reported to us in accordance with Section IV. 2. of this Policy during the **policy period**, within 60 days immediately following the end of the **policy period**, or during the Extended Reporting Period, if applicable, any **claims** reported under a subsequent Policy issued by us or our affiliate arising out of the same, related, continuous negligent act, error or omission shall be deemed to have been first made against the insured and reported to us during the Policy period when the first of such **claims** was made and reported. The Each Loss Limit of liability of the Policy in effect when the first such **claim** was made against you and reported to us shall apply to all such **claims**.

Such subsequent **claims** will not be covered under this Policy unless you have maintained Professional Liability Insurance with us or another member company of American International Group, Inc. on a successive and uninterrupted basis since the date the first of such **claims** was made against you and reported to us.

9. The Deductible amount shown in the Declarations applies to each **occurrence** or each **loss**, as the case may be. The Limits of Insurance apply in excess of the Deductible amount. You shall promptly reimburse us for advancing any amounts within your Deductible.

If you and we jointly agree to utilize mediation as a means to resolve a **claim** made against you, and if such **claim** is resolved as a direct result of the mediation, your Deductible obligation shall be reduced by 50% subject to a maximum reduction of \$5,000. We shall reimburse you for any such reimbursable deductible payment made prior to the mediation as soon as practicable after the conclusion of the mediation.

10. The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the **policy period** shown in the Declarations. If the **policy period** is extended after Policy inception for an additional period of less than twelve (12) months, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV. CONDITIONS

1. Bankruptcy

Your bankruptcy or insolvency or that of your estate will not relieve us of our obligations under this Policy.

2. Duties in the Event of Occurrence, Offense, Claim or Suit

- a. You must see to it that we are notified as soon as practicable in writing of an **occurrence**, offense or error or omission which may result in a **claim**. Notice should include:

- (1) How, when and where the **occurrence**, offense or error or omission took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the **occurrence**, offense or error or omission.

Notice of an **occurrence**, offense, or act, error or omission is not notice of a **claim**.

- b. If a **claim** is made or **suit** is brought against any insured, you must:

- (1) Immediately record the specifics of the **claim** or **suit** and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the **claim** or **suit** as soon as practicable. If notice is given verbally, you must confirm such notice to us in writing as soon as practicable, but not later than sixty (60) days from the date you received the **claim**.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **claim** or **suit**;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the **claim** or defense against the **suit**; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Reporting of a Possible Claim under Coverage D

If during the **policy period**, you first become aware of a **possible claim**, you may provide written notice to us during the **policy period** at the address set forth in paragraph 4. below, containing all the information listed below. Any **possible claim** that subsequently becomes a **claim** shall be deemed for the purpose of this Policy to have been made during the **policy period** of this Policy, and such **claim** shall be subject to the terms, conditions and limits of coverage of this Policy. You shall cooperate fully with us and any investigation conducted by us or our authorized representatives and you shall be subject to the terms set forth in Section IV. paragraph 2., above, applicable to a **claim**.

It is a condition precedent to the coverage afforded by this Section that written notice contain all of the following information:

1. The circumstances of the actual or alleged errors or omissions which are the subject of the **possible claim**;
2. The **professional services** which gave rise to 1. above;
3. The date(s) of such conduct;
4. The injury or damage which has or may result from such conduct;
5. The identity(s) of the insured(s) who may be subject of the **possible claim**;
6. The identity(s) of any potential claimant(s);
7. The anticipated location(s) of any such **possible claim**; and
8. The circumstances by which you first became aware of the **possible claim**.

If all the above information is not so provided or is, in our reasonable judgment, deemed inadequate, we shall inform you in writing that any **claim** made after the **policy period** relating to the circumstances described in the written notice will not be considered as covered under this Policy.

4. To Whom Notice Shall be Delivered

All Notices required under this Section IV. 2. and 3. shall be reported to:

Manager, Pollution Insurance Products Dept.
Chartis Claims, Inc.
Attn.: CID
101 Hudson Street, 31st Floor
Jersey City, NJ 07302
Fax: 866-260-0104
Email: severityfnol@chartisinsurance.com

or other address(es) as substituted by the Company in writing.

5. Legal Action Against Us

No person or organization has a right under this Policy:

- a. To join us as a party or otherwise bring us into a **suit** asking for damages from an insured; or
- b. To sue us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

6. Other Insurance

Applicable to Coverages A and B

If other valid and collectible insurance is available to an insured for a loss we cover under Coverages A or B of this Policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for **your work**;
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (c) That is insurance purchased by you to cover your liability as a tenant for **property damage** to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (d) If the loss arises out of the maintenance or use of aircraft, **autos** or watercraft to the extent not subject to Exclusion g. of Section I - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY.
 - (e) Where you are an insured on a Policy for **your work** performed at a specific job site and that applies to a specific job site.

- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement to such other primary insurance.

When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any **suit** if any other insurer has a duty to defend the insured against that **suit**. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under such other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Policy.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

Applicable to Coverage D

If other valid insurance, whether collectible or not, is available to the insured for **loss** covered under the terms and conditions of Coverage D., our obligation to the insured shall be as follows:

- a. This insurance shall apply as excess insurance over any other valid insurance, whether collectible or not, be it primary or excess including, but not limited to insurance where you are an insured on a Policy professional services performed by or on your behalf as a specific job site and that applies to a specific job site. This excess insurance shall in no way be increased or expanded as a result of the receivership, insolvency, or inability to pay of any insurer with respect to both the duty to indemnify and the duty to defend.
- b. Where this insurance is excess insurance, we will pay only our share of the amount of **loss**, if any, that exceeds the total amount of all such valid insurance, including any applicable deductible or self-insured amounts under such insurance coverage(s).

You shall promptly upon our request provide us with copies of all policies potentially applicable to **loss** covered by Coverage D.

7. Representations

By accepting this Policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and

- c. We have issued this Policy in reliance upon your representations.

8. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom **claim** is made or **suit** is brought.

9. Subrogation

If there is a payment made by the Company under this Policy, the Company shall be subrogated to all the insured's rights of recovery against any person or organization. The insured shall cooperate with the Company and do whatever is necessary to secure these rights. The insured shall do nothing after a **claim** or **occurrence** to waive or prejudice such rights.

Any recovery as a result of subrogation proceedings arising out of payment under this Policy (net of expenses incurred in making such recovery) shall accrue first to you to the extent of any payment in excess of the limit of coverage of the Policy, then pro-rata to you and us in proportion to the amount each actually paid as a result of judgment, settlement or defense of a **claim**.

We agree to waive this right of subrogation against your client to the extent that the you had, prior to a **claim** or **occurrence**, a written agreement to waive such rights.

10. Service of Suit

It is agreed that in the event of our failure to pay any amount claimed to be due hereunder, we, at your request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of our rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon General Counsel, Legal Department, Chartis Specialty Insurance Company, 175 Water Street, New York, NY 10038, or his or her representative, and that in any suit instituted against us upon this contract, we will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, we hereby designate the Superintendent, Commissioner, Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on your behalf or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above named General Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

11. When We Do Not Renew

If we decide not to renew this Policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - EXTENDED REPORTING PERIOD - COVERAGE D

1. You may purchase an optional sixty (60) month Extended Reporting Period as described in paragraph 3 below, only if:

- a. Coverage D is cancelled or not renewed for any reason except non-payment of premium;
- b. We renew or replace Coverage D with other insurance that provides claims-made coverage with a Retro-active Date later than the one shown in the Declarations; or
- c. We replace this Coverage D with other insurance that applies on other than a claims-made basis.

The optional Extended Reporting Period will not reinstate or increase the Limits of Insurance or extend the **policy period**.

2. If you purchase the optional Extended Reporting Period Endorsement, the Extended Reporting Period will be sixty (60) months, starting with the end of the **policy period**. We will issue that Endorsement if the first Named Insured shown in the Declarations:

- (1) Makes a written request for it which we receive within sixty (60) days after the end of the **policy period**; and
- (2) Promptly pays the additional premium when due.

This optional Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the Endorsement may not be cancelled.

The optional Extended Reporting Period Endorsement will also amend Section IV. 6. (Other Insurance) so that the insurance provided will be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, whose policy period begins or continues after the effective date of the Extended Reporting Period Endorsement.

We will determine the actual premium for the optional Extended Reporting Period Endorsement in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The exposures insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this Coverage Part for future payment of damages; and
- d. Other related factors.

The premium for the optional sixty (60) month Extended Reporting Period Endorsement will not exceed 200% of the annual premium and will be fully earned when the Endorsement takes effect.

SECTION VI - DEFINITIONS

1. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.
2. **Auto** means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But **auto** does not include **mobile equipment**.
3. **Bodily injury** means, with respect to Coverages A, B, and C, bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.

With respect to Coverages D and within the exceptions described in paragraphs (4) and (5) of Exclusion f., Pollution of Section 1. - **COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **EXCLUSIONS**; **Bodily injury** means physical injury, or sickness, disease, mental anguish or emotional distress sustained by any person, including death resulting therefrom.

4. **Claim** means a written demand received by the insured seeking a remedy and alleging liability or responsibility on the part of the insured for compensatory damages under Coverage A or B, or **loss** under Coverage D. **Claim** includes a **suit**. A **claim** does not include a **possible claim** that has been reported under a prior policy and, which has become a **claim** during the **policy period** of this Policy as described in Section IV. 3.

5. **Claim expenses** means:

- a. Fees charged by any lawyer designated by us; and
- b. All other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **claim**, if authorized by us.

Claim expenses shall not include:

- a. The salaries of any employee of ours; and
- b. Costs, charges or other expenses incurred by the insured for goods supplied or services performed by or on behalf of the staff or salaried employees of the insured or its parent, subsidiary or affiliate, unless such costs, charges or other expenses are incurred with the prior written approval of us at our sole discretion.

6. **Coverage territory** means:

- a. The United States, its territories or possessions, or Canada; or
- b. All parts of the world, excluding: Angola, Cuba, Haiti, Iran, Iraq, Libya, Afghanistan, the Democratic Republic of Sudan or the or the Federal Republic of Yugoslavia (Serbia and Montenegro) if:
 - (1) The injury or damage arises out of goods or products made or sold by you in the territory described in (a) above
 - (2) The insured's responsibility to pay damages is determined in a **suit** on the merits, in the territory described in a. above or in a settlement to which we agree; or
- c. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. or b. above.

With respect to **claims** subject to Paragraph b. above:

- a. We shall have the right but not the duty to investigate, defend, or settle such **claims**. If we do not exercise this right, you shall, under the our supervision, make such investigation and defense as is reasonably necessary. Subject to prior written authorization by us, you may also effect settlement. We shall reimburse you for the reasonable costs of such actions, subject to all other provisions of this Policy.
- b. This insurance shall not serve as proof of insurance: (i) in any country where non-admitted insurance is prohibited by local applicable law; or (ii) without our prior written consent.
- c. In our sole discretion we may issue proof of insurance documents to a third party upon your request, but we are not obligated to do so.

7. **Employee** includes a **leased worker** and a **temporary worker**.

8. **Executive officer** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

9. **Hostile fire** means one which becomes uncontrollable or breaks out from where it was intended to be.

10. **Impaired property** means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:

- a. It incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement; if such property can be restored to use by:
 - (1) The repair, replacement, adjustment or removal of **your product** or **your work** or
 - (2) Your fulfilling the terms of the contract or agreement.

11. **Insured contract** means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an **insured contract**;
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within fifty (50) feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations, within fifty (50) feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings, or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for any injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

12. **Leased worker** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. **Leased worker** does not include a **temporary worker**.

13. **Loading or unloading** means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **auto**;
- b. While it is in or on an aircraft, watercraft or **auto**; or
- c. While it is being moved from an aircraft, watercraft or **auto** to the place where it is finally delivered;

but **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **auto**.

14. **Loss**, as used in Coverage D, means:

- a. Monetary awards or settlements of compensatory damages, but does not include injunctive or equitable relief, or the return of fees or other charges for services rendered;
- b. Costs, charges and expenses incurred in the defense, investigation or adjustment of **claims** for such compensatory damages.

15. **Mobile Equipment** means any of the following types of land vehicles, including any attached machinery equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing;
 - (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. **Natural resource damage** means physical injury to or destruction of, including the resulting loss of value of, land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.)), any state or local government, any foreign government, any Indian tribe, or, if such resources are subject to a trust restriction on alienation, any member of an Indian tribe.
17. **Nuclear material** means **source material special nuclear material**, or **by-product material**.
18. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
19. **Personal and advertising injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.
 - f. The use of another's advertising idea in your **advertisement**; or
 - g. Infringing upon another's copyright, trade dress or slogan in your **advertisement**.
20. **Policy period** means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of cancellation of this Policy.
21. **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
22. **Possible claim** means actual or alleged errors or omissions arising out of **professional services** commencing on or after the Retroactive Date stated in the Declarations which are reasonably expected to result in a **claim** under Coverage D. and as referenced in Section IV. Paragraph 3. Reporting of a Possible Claim under Coverage D.
23. **Products - completed operations hazard:**
- a. Includes all **bodily injury** and **property damage** occurring away from premises you own or rent and arising out of **your product** or **your work** except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However **your work** will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in your contract has been completed;
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include **bodily injury or property damage** arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the **loading or unloading** of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification in this Coverage Part or in our manual of rules includes products or completed operations.

24. **Professional services** means those architectural, engineering, consulting, project management or construction management services, including those as set forth in the application, or other services as specifically defined by endorsement to this Policy, that are performed for a fee by you or on your behalf.

25. **Property damage** means:

- a. Physical injury to or destruction of tangible property of parties other than the insured, including all resulting loss of use and diminution of value thereof. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property, but not diminution of value, that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it;
- c. **Natural resource damage**; or
- d. Solely with respect to coverage within the scope of paragraphs (4) and (5) of Exclusion f., Pollution, in Section I., Coverage A, 2. Exclusions, **property damage** also means those costs or expenses arising out of the testing, monitoring, clean up, removal, containment, treatment, detoxification, neutralization or other response to or assessment of the effect of **pollutants**.

26. **Source material, special nuclear material and by-product material** have the meanings given them in the Atomic Energy Act.

27. **Suit** means a civil proceeding in which damages are alleged. **Suit** includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

28. **Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short - term workload conditions.

29. **Waste disposal sites** means sites utilized for the purpose of the disposal, handling, storage, processing, or treatment of any waste, whether hazardous or not and whether authorized or not.

30. **Your product** means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

Your product includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your product**; and
- b. The providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

31. **Your work** means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

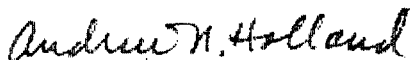
- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **your work**; and
- b. The providing of or failure to provide warnings or instructions.

The remainder of this page has been intentionally left blank. Policy Signature Page shall immediately follow.

POLICY SIGNATURE PAGE

**This Policy Signature Page,
forms a part of Policy No: PROP 12427439**

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this Policy.



Secretary
Chartis Specialty Insurance Company



President
Chartis Specialty Insurance Company

This Policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the Policy.



Authorized Representative

FORMS SCHEDULE

Named Insured: EFFECTIVE ENVIRONMENTAL, INC

Policy Number: PROP 12427439

Effective 12:01 AM: September 23, 2010

End't. No.	Form Name	Form Number/ Edition Date
	CSIC Comm, Gen. Liab.&Prof. Liab. Dec	77792 (11/09)
	Texas Notice - (Surplus Lines)	56668 (04/07)
	Texas Notice - Surplus Lines	TXSTATE1 (11/93)
	CSIC Comm. Gen. Liab. & Prof. Liab. Pol.	77793 (11/09)
	Notice of Loss/Notice of Claim	CI1141 (09/00)
1	Common Policy Conditions Endorsement	IL0017 (11/98)
2	Deductible Liab. Insurance Split Deductible	78010 (05/01)
3	War Exclusion Endorsement	79108 (12/01)
4	Excl - Viol Stat - Send, Trans, Comm Mat or Info	87993 (04/05)
5	Condition Of Payment Endorsement	90365 (01/06)
6	Coverage Territory Amendatory Endorsement	97636 (03/08)
7	Terrorism Excl W/Cert Acts Exception Purchased End	97637 (03/08)
8	Professional Services Definition Amendatory End	101307 (03/09)
9	Ea Loss Lim Amended To Incl Mult Claims Limit End	86811 (02/10)
10	Texas Deceptive Trade Practices	53050 (01/92)
11	Accident Insurance Endorsement	89129 (08/09)
12	Employee Benefits Liability Insurance Endorsement	101114 (03/09)
13	Blanket Non-Owned Disposal Sites Endorsement	100677 (11/08)
14	Minimum Earned Premium Endorsement	78018 (05/01)
15	Amd.Of Disp.Site Excl.Cov.A-Poll. Liab.(Occur.)	78121 (06/01)
16	Amd.Of Air, Auto,Water Excl. (Trans. Cov.)	78034 (05/01)
17	Disposal Site Selection Endt. Cov. D - Prof.Liab.	78021 (05/01)
18	Insured Prop Pollution Legal Liab Coverage Endt	78718 (08/01)
19	Additional Insured / Primary Coverage Endorsement	90667 (04/06)
20	Texas Changes - Conditions Requiring Notice	CG0103 (10/93)
21	Waiver Of Subrogation-Specific Person or Org.	78011 (05/01)
22	Amendatory Endorsement	MNSCPT (08/10)

CHARTIS

NOTICE OF LOSS/NOTICE OF CLAIM

INSTRUCTIONS: PLEASE ATTACH ALL CORRESPONDENCE RELATING TO THIS NOTICE OF LOSS AND MAIL COPIES OF THIS NOTICE TO THE ADDRESS BELOW:

Manager, Pollution Insurance Products Dept.
Chartis Claims, Inc.
Attn.: CID
101 Hudson Street, 31st Floor
Jersey City, NJ 07302
Fax: 866-260-0104
Email: severityfnol@chartisinsurance.com

Date of Notice: _____

NAMED INSURED: EFFECTIVE ENVIRONMENTAL, INC

ADDRESS OF INSURED: 2515 S BELT LINE RD
BALCH SPRINGS, TX 75181-2015

TELEPHONE: () _____

CONTACT: _____

BROKER NAME: INSURANCE ALLIANCE

BROKER ADDRESS: 1776 YORKTOWN ST
STE 200
HOUSTON, TX 77056-4142

TELEPHONE: () _____

CONTACT: _____

POLICY INFORMATION:

Policy Number: PROP 12427439

Policy Period: From: September 23, 2010 To: March 23, 2012

Loss Information:

Loss Location: _____

Date & Description of Loss: _____

For Chartis Use Only:

Date Claim Notice Received: _____

Date of Claim: _____

Company/Person Filing Suit (if applicable): _____

NOTE: Any person who knowingly files a Statement of Claim containing any false or misleading information is subject to criminal and civil penalties.

ENDORSEMENT NO. 1

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY CONDITIONS ENDORSEMENT

All Coverage Parts included in this Policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The Policy period will end on that date.
5. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This Policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this Policy with our consent. This Policy's terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this Policy at any time during the Policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:

ENDORSEMENT NO. 1 (Continued)

- a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
 3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
 4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 2

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE
SPLIT DEDUCTIBLE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Coverage	Amount and Basis of Deductible		
	<u>Coverage A & B Claims</u> <u>(except pollution claims)</u>	<u>Coverage A</u> <u>Pollution Claims</u>	
Bodily Injury Liability		per claim per occurrence	
Property Damage Liability		per claim per occurrence	
Bodily Injury Liability and Property Damage Liability Combined	\$25,000.00	per claim per occurrence	\$25,000.00

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all **bodily injury** and **property damage** however caused):

Applicable to Coverage A & B only.

A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.

B. You may select a deductible amount on either a "per claim" or a "per occurrence" basis. Your se-

lected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amounts stated in the Schedule apply as follows:

1. **PER CLAIM BASIS** - If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:

ENDORSEMENT NO. 2 (Continued)

- a. Under the Bodily Injury Liability Coverage, to all damages sustained by any one person because of **bodily injury**;
- b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of **property damage**; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage combined, to all damages sustained by any one person because of:
 - (1) **bodily injury**;
 - (2) **property damage**; or
 - (3) **bodily injury and property damage** combined as the result of any one **occurrence**.

If damages are claimed for care, loss of services or death resulting at any time from **bodily injury**, a separate deductible amount will be applied to each person making a **claim** for such damages.

With respect to **property damage**, person includes an organization.

2. **PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per **occurrence**" basis, that deductible amount applies as follows:

- a. Under the Bodily Injury Liability Coverage, to all damages because of **bodily injury**;
- b. Under Property Damage Liability Coverage, to all damages because of **property damage**; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage combined, to all damages because of:
 - (1) **bodily injury**;
 - (2) **property damage**; or
 - (3) **bodily injury and property damage** combined as the result of any one **occurrence**, regardless of the number of persons or organizations who sustain damages because of that **occurrence**.

- C. The terms of this insurance, including those with respect to:
 - 1. Our right and duty to defend any **suits** seeking those damages; and
 - 2. Your duties in the event of an **occurrence, claim** or **suit** apply irrespective of the application of the deductible amount.
- D. We may pay any part or all of the deductible amount to effect settlement of any **claim** or **suit** and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 3

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION ENDORSEMENT

1. It is hereby agreed that the following exclusion is added to **SECTION I - COVERAGES, COVERAGE B. - PERSONAL AND ADVERTISING INJURY LIABILITY**, Subsection 2., **Exclusions:**

Arising directly or indirectly as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, civil commotion, factional civil commotion, military or usurped power, rebellion or revolution.

2. It is hereby agreed that the following exclusion is added to **SECTION I - COVERAGES, COVERAGE C. - MEDICAL PAYMENTS**, Subsection 2., **Exclusions:**

Arising directly or indirectly as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, civil commotion, factional civil commotion, military or usurped power, rebellion or revolution.

3. It is hereby agreed that the following exclusion is added to **SECTION I - COVERAGES, COVERAGE D. - PROFESSIONAL LIABILITY**, Subsection 2., **Exclusions:**

Arising directly or indirectly as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, factional civil commotion, military or usurped power, rebellion or revolution.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 4

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - VIOLATION OF STATUTES IN CONNECTION WITH SENDING,
TRANSMITTING OR COMMUNICATING ANY
MATERIAL OR INFORMATION**

This insurance does not apply to any **bodily injury, property damage, personal and advertising injury, clean-up costs, claim, suit, loss**, cost or expense arising out of or resulting from, caused directly or indirectly, in whole or in part by, any act that violates any statute, ordinance or regulation of any federal, state or local government, including any amendment of or addition to such laws, that includes, addresses or applies to the sending, transmitting or communicating of any material or information, by any means whatsoever.

To the extent any coverage may otherwise be available under this Policy, the provisions of this Exclusion shall supercede the same and exclude such coverage.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 5

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITION OF PAYMENT ENDORSEMENT

It is hereby agreed that any payment under this Policy shall only be made in full compliance with all United States of America economic and trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 6

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE TERRITORY AMENDATORY ENDORSEMENT

This endorsement modifies insurance under the following:

COMMERCIAL GENERAL LIABILITY AND PROFESSIONAL LIABILITY POLICY

- I. **COVERAGE D. - PROFESSIONAL LIABILITY**, paragraph 1. **Insuring Agreement**, sub-paragraph A. **Coverage** is deleted and replaced by the following:

A. Coverage

We will pay on behalf of the insured, **loss** that takes place in the **coverage territory** and that the insured is legally obligated to pay as a result of **claims** first made against the insured and reported to the Company in writing during the **policy period** for actual or alleged errors or omissions arising out of **professional services** rendered by or on behalf of the insured provided:

1. The **professional services** which result in a **claim** must commence on or after the Retroactive Date stated in the Declarations; and
2. The insured must report the **claim** to the Company in accordance with Section IV. 2. of this Policy during the **policy period**, within sixty (60) days immediately following the end of the **policy period**, or during the Extended Reporting Period if applicable.

- II. **SECTION VI - DEFINITIONS**, paragraph 6. **Coverage territory**, is deleted in its entirety and replaced by the following:

6. Coverage territory means:

Applicable to Coverages A, B and C

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All other parts of the world if the injury or damages arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business,

ENDORSEMENT NO. 6 (Continued)

provided the insured's responsibility to pay damages is determined in a **suit** on the merits, in the territory described in a. above or in a settlement we agree to.

Applicable to Coverage D

The United States of America (including its territories and possessions), and Canada.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 7

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TERRORISM EXCLUSION WITH CERTIFIED ACTS OF TERRORISM EXCEPTION PURCHASED
ENDORSEMENT**

This Policy is amended by the addition of the following Exclusion:

The Company has no obligation to make any payment or to provide or to pay for a defense under this Policy due to or arising directly or indirectly as a result of or in connection with **Terrorism**.

Terrorism means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

This Exclusion does not apply to a certified "act of terrorism" which is defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 as follows:

ACT OF TERRORISM -

- (A) **CERTIFICATION** - The term "act of terrorism" means any act that is certified by the Secretary (of the Treasury), in concurrence with the Secretary of State, and the Attorney General of the United States -
- (i) to be an act of terrorism;
 - (ii) to be a violent act or an act that is dangerous to --
 - (I) human life;
 - (II) property; or
 - (III) infrastructure;
 - (iii) to have resulted in damage within the United States, or outside of the United States in the case of --
 - (I) an air carrier or vessel (described in TRIA)
 - (II) the premises of a United States mission; and
 - (iv) to have been committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- (B) **LIMITATION** -- No act shall be certified by the Secretary as an act of terrorism if --
- (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (C) **DETERMINATIONS FINAL** - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.

ENDORSEMENT NO. 7 (Continued)

- (D) **NONDELEGATION** - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this Paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 8

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROFESSIONAL SERVICES DEFINITION AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY AND
PROFESSIONAL LIABILITY COVERAGE FORM**

It is hereby agreed as follows:

1. **SECTION VI - DEFINITIONS**, item 24., **Professional Services**, is deleted in its entirety and replaced by the following:
 24. **Professional services** means those architectural, engineering, consulting, land surveying or landscape architecture services that are performed for a fee by you or on your behalf. **Professional services** does not include:
 - (a) Services for or associated with the management or operation of any facility by you or on your behalf;
 - (b) Any evaluation, consultation, opinion or advice given by you, or others for whom you are legally liable, in connection with **your product** where a separate fee is not charge for the evaluation, consultation, opinion or advice; or
 - (c) Any actual construction, erection, demolition, dismantling, assembly, fabrication, installation or remediation services performed by you or on your behalf, including the means, methods, techniques, sequences and procedures employed in the performance of those operations by you or on your behalf.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 9

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EACH LOSS LIMIT AMENDED TO INCLUDE MULTIPLE CLAIMS LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY AND
PROFESSIONAL LIABILITY POLICY**

It is hereby agreed that **SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE**, Paragraph 8. is deleted in its entirety and replaced with the following:

8. Subject to 2. above, the Each Loss Limit is the most we will pay under Coverage D for all **loss** regardless of the number of insureds, claimants or **claims** that are made and reported during one or more policy periods and arise out of the same, related or continuous actual or alleged errors or omissions.

If a **claim** is first made against the insured and reported to us in accordance with Section IV. 2. of this Policy during the **policy period**, within 60 days immediately following the end of the **policy period**, or during the Extended Reporting Period, if applicable, any **claims** reported under a subsequent Policy issued by us or our affiliate arising out of the same, related or continuous actual or alleged errors or omissions shall be deemed to have been first made against the insured and reported to us during the Policy period when the first of such **claims** was made and reported. The Each Loss Limit of liability of the Policy in effect when the first such **claim** was made against you and reported to us shall apply to such subsequent **claims**. Nothing in this Endorsement shall increase the amount of total coverage available for claims arising out of the same, related or continuous actual or alleged errors or omissions to an amount greater than the Each Loss Limit of Liability in effect when the first of such **claims** was made against you and reported to us.

Any subsequent **claim** will not be covered under this Policy unless you have maintained Professional Liability Insurance with us or another Chartis company on a successive and uninterrupted basis since the date the first of such **claims** was made against you and reported to us.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT No. 10

This endorsement, effective 12:01 AM: September 23, 2010

Forms a part of policy no.: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS DECEPTIVE TRADE PRACTICES

It is agreed that insurance under this policy does not apply to any of the following:

1. Penalties, punitive damages or exemplary damages, fines or sanctions that may arise under or be imposed in accordance with any provision or part of the Texas Deceptive Trade Practices-Consumer Protection Act {Texas Deceptive Trade Practices-Consumer Protection Act, Tex. Bux. & Com. Code Ann Sec. 17.41-17.63 (Vernon 1987 & Supp. 1992) }; or
2. Legal fees, costs and expenses for which there may be a claim for reimbursement or as damages against the insured based on any provision or part of the Texas Deceptive Trade Practices-Consumer Protection Act, {Texas Deceptive Trade Practices-Consumer Protection Act, Tex. Bux. & Com. Code Ann Sec. 17.41-17.63 (Vernon 1987 & Supp. 1992) }.



Authorized Representative
or countersignature (where required by law)

ENDORSEMENT NO. 11

This endorsement, effective **12:01 AM**, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

**THIS ENDORSEMENT ADDS ACCIDENT INSURANCE
ACCIDENT INSURANCE ENDORSEMENT**

The Policy is amended as follows:

I. ACCIDENT INSURANCE DECLARATIONS - The following Declarations are added to the Policy and apply only with respect to the coverage provided by this endorsement:

- (a) **Accident Insurance Effective Date**: Same as Policy Effective Date
- (b) **Classification of Eligible Persons**: All Employees of the Named Insured working at least 30 hours per week.
- (c) **Covered Activity(ies)**: Coverage is provided for **Injury** sustained by a **Covered Person** while the **Covered Person** is actively performing the duties of his or her occupation for the Named Insured
- (d) **Principal Sum Amount** (per **Covered Person**): \$50,000
- (e) **Severe Burn Maximum Amount**: \$10,000
- (f) **Accident Insurance Aggregate Limit**: \$500,000 per accident

Words and phrases that appear in bold face print in this endorsement have special meaning within this endorsement. Refer to the Accident Insurance Declarations above and the definitions section below.

**THIS ENDORSEMENT PROVIDES ACCIDENT ONLY COVERAGE. IT DOES NOT
COVER SICKNESS OR DISEASE.**

II. ACCIDENT INSURANCE - The following Accident Insurance Coverage is added to the Policy. The provisions hereunder apply only with respect to the Accident Insurance provided by this endorsement:

A. ACCIDENT INSURANCE INSURING AGREEMENT

We will pay a benefit to the **Covered Person** (or, in the event of death, to the **Covered Person's** beneficiary) if that **Covered Person** suffers a loss covered under this endorsement arising from an **Injury** that results from an accident that occurs on or after the **Accident Insurance Effective Date** and during a **Covered Activity**. The **Principal Sum Amount**, **Severe Burn Maximum Amount** and the **Covered Activity(ies)** applicable to each **Covered Person** are set out in the **Schedule**. The benefit amount payable is subject to the Accident Insurance Reduction Schedule found below.

- 1. **Accidental Death Benefit**. If **Injury** to a **Covered Person** results in death within 365 days of the date of the accident that caused the **Injury**, we will pay 100% of the **Principal Sum Amount**.
- 2. **Accidental Dismemberment Benefit**. If **Injury** to a **Covered Person** results, within 365 days of the date of the accident that caused the **Injury**, in that **Covered Person** suffering any of the losses specified below, the benefit we will pay will be based upon the indicated percentage of the **Principal Sum Amount** shown below for that loss:

ENDORSEMENT NO. 11 (Continued)

<u>For Loss of:</u>	<u>percentage of Principal Sum Amount payable</u>
Both Hands or Both Feet	100%
Sight of Both Eyes	100%
One Hand and One Foot	100%
One Hand and the Sight of One Eye	100%
One Foot and the Sight of One Eye	100%
Speech and Hearing in Both Ears	100%
One Hand or One Foot	50%
Sight of One Eye	50%
Speech or Hearing in Both Ears	50%
Hearing in One Ear	25%
Thumb and Index Finger of Same Hand	25%

Loss of a hand or foot means complete severance through or above the wrist or ankle joint. Loss of sight of an eye means total and irrecoverable loss of the entire sight in that eye. Loss of hearing in an ear means total and irrecoverable loss of the entire ability to hear in that ear. Loss of speech means total and irrecoverable loss of the entire ability to speak. Loss of thumb and index finger means complete severance through or above the metacarpophalangeal joint of both digits.

If more than one loss is sustained by a **Covered Person** as a result of the same accident, only one amount, the largest, will be paid.

3. **Severe Burn Benefit.** If a **Covered Person** suffers a **Severe Burn**, we will pay a benefit to that **Covered Person**. The amount of the benefit payable is explained below and will be based on the Percentage of Severe Burn Maximum Amount shown below with respect to the applicable **Specified Body Area** burned as shown below:

<u>Specified Body Area</u>	<u>Percentage of Severe Burn Maximum Amount</u>
Face and Neck and Head	99%
Hand and Forearm Below Elbow Joint (Right)	22.5%
Hand and Forearm Below Elbow Joint (Left)	22.5%
Upper Arm Below Shoulder Joint to Elbow Joint (Right)	13.5%
Upper Arm Below Shoulder Joint to Elbow Joint (Left)	13.5%
Torso Below Neck to Shoulder Joints and Hip Joints (Front)	36%
Torso Below Neck to Shoulder Joints and Hip Joints (Back)	36%
Thigh Below Hip Joint to Knee Joint (Right)	9%
Thigh Below Hip Joint to Knee Joint (Left)	9%
Foot and Lower Leg Below Knee Joint (Right)	27%
Foot and Lower Leg Below Knee Joint (Left)	27%

The benefit amount payable under the **Severe Burn Benefit** will be determined as follows:

- a. If only one of the **Covered Person's** Specified Body Areas described above is **Severely Burned** in an accident and 100% of the surface of that Specified Body Area is **Severely Burned**, the benefit payable is 100% of the Percentage of **Severe Burn Maximum Amount** shown for that Specified Body Area.

(For example: The Percentage of **Severe Burn Maximum Amount** shown for the "foot and lower leg below knee joint (right)" Specified Body Area is 27%. If 100% of the surface of that Specified Body Area is **Severely Burned**, the benefit payable is 100% of 27%, or 27%, of the **Severe Burn Maximum Amount**.)

- b. If only one of the **Covered Person's** Specified Body Areas described above is **Severely Burned** in an accident and a lesser proportion of the surface of that Specified Body Area is **Severely Burned**, the benefit payable is that same lesser proportion of the Percentage of **Severe Burn Maximum Amount** shown above for that Specified Body Area.

ENDORSEMENT NO. 11 (Continued)

(For example: The Percentage of **Severe Burn Maximum Amount** shown for the "foot and lower leg below knee joint (right)" Specified Body Area is 27%. If 50% of that surface is **Severely Burned**, the benefit payable is 50% of 27%, or 13.5%, of the **Severe Burn Maximum Amount**. If 1/3 of that surface is **Severely Burned**, the benefit payable is 1/3 of 27%, or 9%, of the **Severe Burn Maximum Amount**.)

- c. If more than one of the **Covered Person's** Specified Body Areas described above is **Severely Burned** as a result of the same accident, the benefit payable is the lesser of: (1) the sum of the benefit amounts calculated separately, according to the above rules, with respect to each such Specified Body Area; or (2) 100% of the **Severe Burn Maximum Amount**.

The determination of whether or not a Specified Body Area described above is **Severely Burned**, and what proportion of its surface is **Severely Burned**, must be made by a **Physician**. We retain the right, at our own expense, to have the determination verified by a **Physician** of our choice.

B. ACCIDENT INSURANCE EXCLUSIONS

No coverage shall be provided under this endorsement and no payment shall be made for any loss resulting in whole or in part from, or contributed to by, or as a natural and probable consequence of any of the following excluded risks even if the proximate or precipitating cause of the loss is an accidental bodily injury:

- suicide or any attempt at suicide or intentionally self-inflicted Injury or any attempt at intentionally self-inflicted Injury or any act of autoeroticism.
- sickness or disease, or mental incapacity or bodily infirmity whether the loss results directly or indirectly from any either of these.
- the **Covered Person's** commission of or attempt to commit a felony crime.
- declared or undeclared war, or any act of declared or undeclared war regardless of whether the Policy to which this endorsement is attached provides such coverage.
- infections of any kind regardless of how contracted, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition including but not limited to diabetes.
- participation in any team sport or any other athletic activity, except participation in a **Covered Activity**.
- any loss incurred while outside the United States, its territories or Canada.
- full-time active duty in the armed forces, National Guard or organized reserve corps of any country or international authority. (Loss caused while on short-term National Guard or reserve duty for regularly scheduled training purposes is not excluded).
- travel or flight in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, if the **Covered Person** is:
 - * riding as a passenger in any aircraft not intended or licensed for the transportation of passengers; or
 - * performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft; or
 - * riding as a passenger in an aircraft owned, leased or operated by the Named Insured or the **Covered Person's** employer.
- the **Covered Person** being under the influence of intoxicants while operating any vehicle or means of transportation.

ENDORSEMENT NO. 11 (Continued)

- the **Covered Person** being under the influence of drugs unless taken under the advice of and as specified by a **Physician**.
- the medical or surgical treatment of sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from the treatment.
- stroke or cerebrovascular accident or event; cardiovascular accident or event; myocardial infarction or heart attack; coronary thrombosis; aneurysm.
- the **Covered Person** riding in or driving any type of motor vehicle as part of a speed contest or scheduled race, including testing such vehicle on a track, speedway or proving ground.

C. ACCIDENT INSURANCE LIMITATIONS

Accident Insurance Aggregate Limit - The maximum amount payable under the Accidental Death Benefit, Accidental Dismemberment Benefit and Severe Burn Benefit combined may be reduced if more than one **Covered Person** suffers a loss as a result of the same accident. The maximum amount payable for all such losses for all **Covered Persons** will not exceed the amount shown as the **Accident Insurance Aggregate Limit** in the **Schedule**. If the combined maximum amount otherwise payable for all **Covered Persons** must be reduced to comply with this provision, the reduction will be taken by applying the same percentage of reduction to the individual maximum amount otherwise payable for each **Covered Person** for all such losses. The **Accident Insurance Aggregate Limit** is in addition to the Policy's General Aggregate Limit.

Accident Insurance Reduction Schedule - The amount payable for a loss will be reduced if a **Covered Person** is age 70 or older on the date of the accident causing the loss. The amount payable for that **Covered Person's** loss is a percentage of the amount that would otherwise be payable, according to the following schedule:

AGE ON DATE OF ACCIDENT	PERCENTAGE OF AMOUNT OTHERWISE PAYABLE
70-74	65%
75-79	45%
80-84	30%
85 and older	15%

Premium for a **Covered Person** age 70 or older is based on 100% of the coverage that would be in effect if the **Covered Person** were under age 70.

"Age" as used above refers to the age of the **Covered Person** on the **Covered Person's** most recent birthday, regardless of the actual time of birth.

D. ACCIDENT INSURANCE DEFINITIONS

Covered Activity (ies) - means those activities set out as **Covered Activity (ies)** in the **Schedule** with respect to which **Covered Persons** are provided coverage under this endorsement.

Covered Person - means a person: (1) who is a member of an eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**; and (2) for whom premium has been paid; and (3) while such person's coverage under this endorsement is in force.

Immediate Family Member - means a person who is related to the **Covered Person** in any of the following ways: spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).

ENDORSEMENT NO. 11 (Continued)

Injury - means an injury to the body: (1) which is sustained as a direct result of an unintended, unanticipated accident that is external to the body and that occurs while the injured person's accident coverage is in force; (2) which occurs under the circumstances described in a **Covered Activity** applicable to that person; and (3) which directly (independent of sickness, disease, mental incapacity, bodily infirmity or any other cause) causes a covered loss under this endorsement.

Physician - means a licensed practitioner of the healing arts acting within the scope of his or her license who is not: (1) the **Covered Person**; (2) an **Immediate Family Member**; or (3) retained by the Named Insured.

Schedule - means the Accident Insurance Declarations section of this endorsement.

Severe Burn/Severely Burned - means cosmetic disfigurement of the surface of a body area due to an **Injury** that is a full-thickness or third-degree burn, as determined by a **Physician**. (A full-thickness or third-degree burn is the destruction of the skin through the entire thickness or depth of the dermis and possibly into underlying tissues, with loss of fluid and sometimes shock, by means of exposure to fire, heat, caustics, electricity or radiation).

E. ACCIDENT INSURANCE CLAIMS PROVISIONS

Notice of Claim. Written notice of a claim for benefits must be given to us within 60 days after a **Covered Person's** loss, or as soon thereafter as reasonably possible. Notice given by or on behalf of the claimant to us at Chartis - Accident and Health Claims, P.O. Box 25987, Shawnee Mission, KS 66225, with information sufficient to identify the **Covered Person**, is deemed notice to us. Notice of Claim may also be given to us by telephone within the time period above by calling 1-800-551-0824.

Claim Forms. We will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not sent within 15 days after the giving of notice of a claim, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed herein for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the **Covered Person's** name, the Named Insured's name and the Policy number.

Proof of Loss. Written proof of loss must be furnished to us within 90 days after the date of the loss. If the loss is one for which this endorsement requires continuing eligibility for periodic benefit payments, subsequent written proofs of eligibility must be furnished at such intervals as we may reasonably require. Failure to furnish proof within the time required neither invalidates nor reduces any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required.

Payment of Claims. Upon receipt of due written proof of death, payment for loss of life of a **Covered Person** will be made, in equal shares, to the survivors in the first surviving class of those that follow: the **Covered Person's** (1) spouse; (2) children; (3) parents; or (4) brothers and sisters. If no class has a survivor, the beneficiary is the **Covered Person's** estate.

Upon receipt of due written proof of loss, payments for all losses, except loss of life, will be made to (or on behalf of, if applicable) the **Covered Person** suffering the loss. If a **Covered Person** dies before all payments due have been made, the amount still payable will be paid as described above for loss of life.

If any payee is a minor or is not competent to give a valid release for the payment, the payment will be made to the legal guardian of the payee's property. If the payee has no legal guardian for his or her property, a payment not exceeding \$1,000 may be made, at our option, to any relative by blood or connection by marriage of the payee, who, in our opinion, has assumed the custody and support of the minor or responsibility for the incompetent person's affairs.

Any payment we make in good faith fully discharges our liability to the extent of the payment made.

ENDORSEMENT NO. 11 (Continued)

Time of Payment of Claims. Benefits payable will be paid as soon as possible upon our receipt of a fully completed and properly executed written proof of the loss.

Physical Examination and Autopsy. We at our own expense have the right and opportunity to examine the person of any individual whose loss is the basis of claim hereunder when and as often as we may reasonably require during the pendency of the claim and to make an autopsy in case of death where it is not forbidden by law.

F. ACCIDENT INSURANCE ADDITIONAL PROVISIONS

Premiums. We may change the required premiums due on any premium due date by giving the first Named Insured at least 31 days advance written notice. We may change the required premiums as a condition of any renewal of the coverage under this endorsement. We may also change the required premiums at any time when any coverage change affecting premiums is made in the coverage provided by this endorsement.

Accident Insurance Termination Date. This coverage terminates automatically on the date the Policy terminates. Termination takes effect at 12:01 AM Standard Time at the address of the Named Insured on the date of termination.

We may terminate the coverage provided by this endorsement on any premium due date by giving 30 days advance written notice to the first Named Insured. This coverage terminates automatically on the earlier of: 1) the date the Policy terminates; or 2) the premium due date if premiums for this coverage are not paid when due. Termination takes effect at 12:01 AM Standard Time at the address of the first Named Insured on the date of termination.

Covered Person's Effective Date. A Covered Person's coverage under this endorsement begins on the latest of: (1) the **Accident Insurance Effective Date**; (2) the date the person becomes a member of an eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**; or (3) the date the appropriate premium is paid for the **Covered Person**.

Covered Person Termination Date. A Covered Person's coverage under this endorsement ends on the earliest of: (1) the date the Policy is terminated; (2) the date this endorsement is terminated; (3) the premium due date if premiums for this coverage are not paid when due; or (4) the date the **Covered Person** ceases to be a member of any eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**.

Termination of coverage will not affect a claim for a covered loss that occurred while the **Covered Person's** coverage under this endorsement was in force.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 12

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY INSURANCE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY AND
PROFESSIONAL LIABILITY COVERAGE FORM**

It is hereby agreed as follows:

I. The following is added to SECTION I - COVERAGES:

COVERAGE - EMPLOYEE BENEFITS LIABILITY

LIMITS OF INSURANCE

\$1,000,000 Each **Wrongful Act** or Series of Related **Wrongful Acts**

\$1,000,000 Each Annual Aggregate

DEDUCTIBLE

\$1,000 Each **Wrongful Act** or Series of Related **Wrongful Acts**

A. INSURING AGREEMENT

We will pay those sums which the **insured** becomes legally obligated to pay as damages because of any **claims** against the **insured** due to any **wrongful act** of the **insured**, or any other person for whose acts the **insured** is legally liable, in the **administration** of the insured's **employee benefits program**, as defined in Section **VIII.** of this endorsement. This insurance applies only if a **claim** for damages covered by this endorsement is first made against the **insured** during the policy period or if purchased, the **optional extended reporting period** we provide under **Section VI.** of this endorsement. We have the right and duty to defend any **suit** against the **insured** seeking those damages even if any of the allegations of the **suit** are groundless, false or fraudulent, and we may make such investigation and settlement of any **claim** or **suit** as we deem expedient. However, we will have no duty to defend the **insured** against any **suit** seeking damages to which this insurance does not apply. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

B. EXCLUSIONS

This endorsement does not apply to:

- 1. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation;**
- 2. Bodily injury** or to injury to or destruction of any tangible property, including the loss of use thereof;

ENDORSEMENT NO. 12 (Continued)

3. Any **claim** for failure of performance of contract by an insurer;
4. Any **claim** based upon the **insured's** failure to comply with any law concerning workmen's compensation, unemployment insurance, social security or disability benefits;
5. Any **claim** based upon:
 - a. failure of any investment(s) including but not limited to stock to perform as represented by an **insured**;
or
 - b. advice given by an **insured** to an **employee** to participate in any investment plan including but not limited to stock subscription plans.
6. Any sums which the **insured** shall become legally obligated to pay as loss because of any **breach of fiduciary duty** or because of any **breach of fiduciary duty** by any person for which the **insured** is legally responsible and arising out of the **insured's** activity as a fiduciary of any plan covered by this endorsement.
7. Any **claim** made against the **insured** based on or attributable to any failure or omission on the part of the **insured** to effect and maintain insurance or bonding for plan property or assets.
8. Damages arising out of wrongful termination of employment, discrimination or other employment-related practices.

II. For the purposes of coverage provided by this endorsement:

- A. All references to **SUPPLEMENTARY PAYMENTS** are replaced by **SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D and EMPLOYEE BENEFITS LIABILITY**.
- B. Paragraphs 1.b. and 2. of the **SUPPLEMENTARY PAYMENTS** provision do not apply, and are deleted in their entirety with regard to this endorsement.

III. For the purposes of the coverage provided by this endorsement, **SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE** is deleted in its entirety and replaced by the following:

1. **LIMITS OF INSURANCE**

- a. The Limits of Insurance shown in this endorsement and the rules below fix the most we will pay regardless of the number of:
 - (i) **Insureds**;
 - (ii) **Claims** made or **suits** brought;
 - (iii) **Persons** or organizations making **claims** or bringing **suits**;
 - (iv) **Wrongful Acts**; or
 - (v) **Benefits** included in your **employee benefits program**.
- b. The Annual Aggregate Limit is the most we will pay for all damages because of **wrongful acts** committed in the **administration** of your **employee benefits program**.
- c. Subject to the annual aggregate limit, the Each **Wrongful Act** or Series of Related **Wrongful Acts** Limit is the most we will pay for all damages sustained by any one **employee**, including damages sustained by such **employee's** dependents and beneficiaries, as a result of a **wrongful act** or series of related **wrongful acts**.

ENDORSEMENT NO. 12 (Continued)

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the **employee benefits program**.

The Limits of Insurance of this endorsement apply to the entire policy period. If the policy period is extended after issuance for an additional period, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

2. DEDUCTIBLE

- a. The deductible amount shown in this endorsement shall be subtracted from the total amount of all sums which we are obligated to pay or incur on behalf of the **insured** for each **wrongful act**. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The terms of this insurance including those with respect to notice of **claim** or **suit** and our right to investigate and negotiate any such **claim** or **suit**, apply irrespective of the application of the deductible amount.

IV. For the purposes of the coverage provided by this endorsement, Condition 2. of **SECTION IV. CONDITIONS** is deleted in its entirety and replaced by the following:

2. Duties in the Event of a Wrongful Act, or Claim or Suit

- a. You must see to it that we are notified as soon as practicable of a **wrongful act** which may result in a **claim**. To the extent possible, notice should include:
 - (i) What the **wrongful act** was and when it occurred; and
 - (ii) The names and addresses of anyone who may suffer damages as a result of the **wrongful act**.
- b. If a **claim** is made or **suit** is brought against any **insured**, you must:
 - (i) Immediately record the specifics of the **claim** or **suit** and the date received; and
 - (ii) Notify us as soon as practicable.

You must see to it that we receive written notice of the **claim** or **suit** as soon as practicable.

- c. You and any other involved insured must:
 - (i) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **claim** or a **suit**;
 - (ii) Authorize us to obtain records and other information;
 - (iii) Cooperate with us in the investigation or settlement of the **claim** or defense against the **suit**; and
 - (iv) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of a **wrongful act** to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

V. For the purposes of the coverage provided by this endorsement, the following condition is added to **SECTION IV. CONDITIONS**:

CONFORMITY WITH STATUTE

ENDORSEMENT NO. 12 (Continued)

Terms of this endorsement which are in conflict with the statute of the state wherein this endorsement is issued are hereby amended to conform to such statutes.

- VI. For the purposes of the coverage provided by this endorsement, the following optional extended reporting provision is added to the policy:

OPTIONAL EXTENDED REPORTING ENDORSEMENT

The coverage under the Employee Benefits Liability Insurance Endorsement may end because one of us chooses to cancel it or not renew it. If this is not the result of non-payment of the premium you have the right to buy a reporting endorsement. It extends the time to report covered **claims**. The **claim** must first be made against an **insured** and reported to us within 3 years after the Employee Benefits Liability Insurance Endorsement ends and while the reporting endorsement is in effect. To obtain this reporting endorsement you must request it in writing and pay the additional premium within 60 days after this endorsement ends. If we do not receive written notice and payment within this period, you may not exercise this right at a later date.

This additional premium will not exceed 200% of the annual premium for the Employee Benefits Liability Insurance Endorsement. Once you pay the premium we cannot cancel the endorsement.

The optional Extended Reporting Endorsement does not reinstate or increase the Limits of Liability applicable to any claim to which the Employee Benefits Liability Insurance Endorsement applies.

- VII. Solely as respects coverage provided by this endorsement, Definitions 4., 7., and 27., in **SECTION VI - DEFINITIONS** are deleted in their entirety and replaced by the following:

4. **Claim** means any demand or **suit** made by an **employee** or an **employees's** dependents or beneficiaries, for damages as the result of a **wrongful act**.
7. **Employee** means a person actively employed, formerly employed, on leave of absence or disabled, or retired. **Employee** includes a **leased worker**. **Employee** does not include a temporary worker.
27. **Suit** means a civil proceeding in which damages because of a **wrongful act** to which this insurance applies are alleged. **Suit** includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the **insured** must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

- VIII. For the purposes of the coverage provided by this endorsement, the following definitions are added to **SECTION VI - DEFINITIONS**

Administration means:

1. Giving counsel to **employees** with respect to the **Employee Benefits Program**;
2. Interpreting the **Employee Benefits Program**;
3. Handling of records in connection with the **Employee Benefits Program**;
4. Effecting, continuing or terminating any **employees** participation in any benefit included in the **Employee Benefits Program**.

Breach of Fiduciary Duty means the violation of any of the responsibilities, obligations of duties imposed upon

ENDORSEMENT NO. 12 (Continued)

fiduciaries by the Employee Retirement Income Security Act of 1974 or amendments thereto with respect to any plan covered by this endorsement.

Employee Benefits Program means group life insurance, group accident or health insurance, profit sharing plans, pension plans, stock subscription plans, workmen's compensation, unemployment insurance, social security benefits, disability benefits, tuition assistance plans, leave of absence programs, including military, family and civil leave, and any other similar **employee** benefits instituted after the effective date of this endorsement provided we are notified within thirty (30) days after the institution of such benefits.

Insured means:

1. The Named Insured;
2. If the Named Insured is a partnership or joint venture, any partner or member thereof, but only with respect to their liability as such;
3. Any executive officer, director or stockholder of the Named Insured while acting within the scope of their duties as such;
4. Any **employee** provided such **employee** is authorized to act in the **administration** of the Named Insured's **employee benefits program**.

Wrongful Act means any actual or alleged negligent act, error or omission in the **administration** of the **employee benefits program**.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 13

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET NON-OWNED DISPOSAL SITES ENDORSEMENT
(Occurrence Policy)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND PROFESSIONAL LIABILITY POLICY

It is hereby agreed that the policy is amended as follows:

1. **SECTION I. COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** paragraph 2. **Exclusions**, subparagraph u. **Waste Disposal Site** is deleted in its entirety.
2. **SECTION I. COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** paragraph 2. **Exclusions**, subparagraph f. **Pollution** is amended by the addition of the following:

(7) Parts (1) and (2) of this exclusion do not apply to **waste disposal sites**.
3. **SECTION IV. CONDITIONS**, paragraph 2. is amended by the addition of the following:

e. Solely with respect to any **Occurrence, Offense, Claim or Suit** arising from or related to **waste disposal sites**, it is a condition precedent to coverage that we receive notice of any **claim for bodily injury or property damage** in no event more than three (3) years after the end of the **policy period**.
4. **SECTION VI. DEFINITIONS** paragraph 29. is deleted in its entirety and replaced with the following:

29. **Waste Disposal Sites** means all waste treatment, waste storage or waste disposal facilities utilized by or on behalf of the Named Insured provided that such **waste disposal sites** are:
 - i. Properly licensed to accept and dispose of waste and in compliance with applicable federal, state, provincial or local laws (including, but not limited to, statutes, rules, regulations, ordinances, guidance documents, and governmental, judicial or administrative orders and directives) that are applicable to the discharge, dispersal, release or escape of pollutants into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment.
 - ii. As of the Policy inception date, such facility is not listed, not proposed and has never been listed on the federal National Priorities List (Superfund), State equivalent list, or local equivalent list;
 - iii. As of the Policy inception date, such facility is not subject to Federal information requests under Section 104(e) of CERCLA or Section 3007 (a) of RCRA or, State or Local equivalent requests; and

ENDORSEMENT NO. 13 (Continued)

- iv. As of the Policy inception date or date that the waste is accepted from the Named Insured, whichever is later, the **waste disposal site**, its owners and operators are not in bankruptcy or financial insolvency.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 14

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND PROFESSIONAL LIABILITY POLICY

It is hereby agreed that in the event of cancellation by the insured, or cancellation by the insurer for non-payment of premium, this Policy shall be subject to a minimum earned premium of 25% of the amount shown in Item 7 of the Declarations.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 15

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF DISPOSAL SITE EXCLUSIONS

COVERAGE A - POLLUTION LIABILITY

(Occurrence policy)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND PROFESSIONAL LIABILITY POLICY

It is hereby agreed that the policy is amended as follows:

1. It is hereby agreed that **SECTION I., COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, paragraph **2. EXCLUSIONS**, subparagraph u, **Waste Disposal Site**, is deleted in its entirety and replaced with the following:

u. Waste Disposal Site

Any **claim** based upon or arising out of any waste or products or materials which have been delivered to a **waste disposal site**, beyond the boundaries of a site at which **your work** is being performed

However, this exclusion does not apply to **bodily injury** or **property damage** within the exceptions described in sub-paragraphs (4) and (5) of Exclusion f., Pollution, of SECTION 1. - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. EXCLUSIONS based upon or arising out of any waste or products or materials delivered to a Non-Owned Disposal Site(s) scheduled below, provided the Non-Owned Disposal Site: (i) is not owned or operated by an insured; (ii) is not a known superfund site at the time of delivery, and provided such waste, products or materials originated from a site at which **your work** is being performed.

Solely with respect to coverage provided within the exception of this exclusion, we must receive notice of a **claim** for **bodily injury** or **property damage** in accordance with Section IV., and in no event more than three (3) years after the end of the **policy period**.

NON-OWNED DISPOSAL SITE SCHEDULE

Name of Site

See attached Manuscript Endorsement for the listing of sites.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 16

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF AIRCRAFT, AUTO OR WATERCRAFT EXCLUSION
(TRANSPORTATION COVERAGE)

1. It is hereby agreed that **SECTION I., COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, paragraph 2. **EXCLUSIONS**, subparagraph g(6) is deleted in its entirety and replaced with the following:

(6) **Bodily injury or property damage** within the exceptions described in sub-paragraphs (4) and (5) of Exclusion f., Pollution, of SECTION 1. - COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. **EXCLUSIONS**, and which arises out of:

(a) **loading or unloading** of any aircraft, **auto** or watercraft owned or operated by or rented or loaned to any insured; or

(b) transportation of materials at, to or from any job site in the course of the performance of **your work**.

2. It is hereby agreed that solely with respect to this endorsement, the following is added to **SECTION I., COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, paragraph 2. **EXCLUSIONS**:

Bodily injury or property damage which occurs subsequent to the time the transported material reaches its final destination or while it is in storage off-loaded from the conveyance which was transporting it.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 17

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISPOSAL SITE SELECTION ENDORSEMENT
COVERAGE D - PROFESSIONAL LIABILITY

It is hereby agreed that **SECTION I. COVERAGES, Coverage D. - Professional Liability, 2. Exclusions, Exclusion q.** is deleted in its entirety and replaced by the following:

- q. Any **claim** based upon or arising out of any waste or products or materials which have been delivered to a location beyond the boundaries of a site for which an insured is rendering **professional services**.

However, this exclusion does not apply to actual or alleged errors or omissions arising out of **professional services** rendered by you consisting of the making of site selection recommendations for the disposal or treatment of hazardous substances.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 18

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

**THIS ENDORSEMENT PROVIDES "CLAIMS MADE" COVERAGE AND
CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
(For use with ProPac Occurrence Policy)**

INSURED PROPERTY POLLUTION LEGAL LIABILITY COVERAGE ENDORSEMENT

In consideration of a \$INCLUDED additional premium we hereby agree to the following:

1. The DECLARATIONS are amended to include the following:

Item 3. LIMITS OF INSURANCE:

INSURED PROPERTY POLLUTION LIABILITY LIMIT
\$1,000,000 Each Loss

Item 4. DEDUCTIBLES:

COVERAGE F: \$25,000 Each Loss

Item 5. RETROACTIVE DATE:

COVERAGE F: May 19, 2008

Item 6: INSURED PROPERTIES:

INSURED PROPERTIES:

2515 S. Beltline Road
Balch Springs, TX 75181

9950 Chemical Road
Pasadena, TX 77507

1809 Jester Drive
Corsicana, TX 75110

2. It is hereby agreed that the following is added to **SECTION I. COVERAGES:**

COVERAGE F - INSURED PROPERTY POLLUTION LEGAL LIABILITY COVERAGE

1. Insuring Agreement

a. Coverage

To pay on your behalf, **loss** that you become legally obligated to pay as a result of **claims** for **bodily injury, property damage or clean-up costs** resulting from **pollution conditions**, that commenced after the retroactive date applicable to Coverage F, on, under, or that migrated from the **insured property**, provided such **claims** are first made against you and reported to us in writing during the **policy period**, within sixty (60) days immediately following the end of the **policy period**, or during the extended reporting period if applicable, and in any event in accordance with Section IV, paragraphs 2. and 4. of this Policy.

b. Legal Expense and Defense

The Company shall have the right and the duty to defend any **claims** covered under Coverages F. Our duty to defend or continue defending any such **claim**, and to pay any **loss**, shall cease once the applicable limit of insurance, as described in SECTION III. LIMITS OF INSURANCE AND DEDUCTIBLE has been exhausted. Defense costs, charges and expenses are included in **Loss** and reduce the applicable limit of insurance, as described in Section III., and are included within the Deductible amount for the Coverage F.

We will present any settlement offers to you, and if you refuse to consent to any settlement within the limits of liability of this Policy recommended by us and acceptable to the claimant, our duty to defend you shall then cease and you shall thereafter negotiate or defend such **claim** independently of us and our liability shall not exceed the amount, less the Deductible or any outstanding Deductible balance, for which the **claim** could have been settled if such recommendation was consented to.

2. Exclusions

This insurance does not apply to **clean-up costs, claims, or loss:**

a. Criminal Fines, Penalties and Assessments

Due to any criminal fines, penalties or assessments.

b. Contractual Liability

Arising from liability of others assumed by you under any contract or agreement, unless your liability would have attached in the absence of such contract or agreement or the contract or agreement is an **insured contract**.

c. Transportation

Arising out of **pollution conditions** that result from the maintenance, use, operation, **loading or unloading** of any conveyance beyond the boundaries of the **insured property**.

d. Intentional Noncompliance

Arising from **pollution conditions** based upon or attributable to any **responsible insured's** intentional, willful or deliberate noncompliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body.

e. Internal Expense

For costs, charges or expenses incurred by you for goods supplied or services performed by your staff or salaried employees, or your parent, subsidiary or affiliate, except if in response to an emergency or pursuant to **environmental laws** that require immediate remediation of **pollution conditions**, or unless such costs, charges or expenses are incurred with our prior written approval in our sole discretion.

f. Insured vs. Insured:

By any insured against any other person or entity who is also an insured under this Policy. This exclusion does not apply to **claims** initiated by third parties.

ENDORSEMENT NO. 18 (Continued)

g. Asbestos and Lead:

Arising from asbestos or any asbestos-containing materials or lead-based paint installed or applied in, on or to any building or other structure. This exclusion does not apply to **clean-up costs** for the remediation of soil and groundwater.

h. Employer Liability

Arising from **bodily injury** to an employee of the insured or its parent, subsidiary or affiliate arising out of and in the course of employment by the insured or its parent, subsidiary or affiliate. This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay third parties who must pay damages because of the injury.

i. Prior Knowledge / Non-Disclosure

Arising from **pollution conditions** existing prior to the **inception date** and known by a **responsible insured** and not disclosed in the application for this Policy, or any previous policy for which this Policy is a renewal thereof.

j. Identified Underground Storage Tank

Arising from **pollution conditions** resulting from an **underground storage tank** whose existence is known by a **responsible insured** as of the **inception date** and which is located on the **insured property** unless such **underground storage tank** is scheduled on the Policy by endorsement.

k. Ownership, Control or Change in Use

Arising from **pollution conditions** on, under or migrated from the **insured property** which commence subsequent to the time the insured transfers, abandons or relinquishes operational control of the **insured property** or subsequent to a material change in use of the **insured property**.

l. Failure to Maintain and Construction Defects

Arising out of the insured's failure to properly maintain or the improper design and construction of any structure erected upon the **insured property** or any system contained therein which leads to the growth of **microbial matter**.

m. Covered by Other Coverages

Which may be alleged as covered in whole or in part under Coverage provided by this endorsement, if we have accepted coverage or if coverage has been held to apply for such **claim** under any other Coverage of this Policy.

3. For purposes of the coverage provided by this endorsement only, **SECTION III. LIMITS OF INSURANCE AND DEDUCTIBLE**, paragraph 2 is replaced by the following:

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage C;
- b. Damages under Coverage A, except damages, other than those covered under paragraph (5) of Exclusion f., Pollution, in SECTION I., Coverage A, because of **bodily injury** or **property damage** included in the **products-completed operations hazard**;

ENDORSEMENT NO. 18 (Continued)

- c. Damages under Coverage B; and
 - d. **Loss** under Coverages D and F.
4. For purposes of the coverage provided by this endorsement only, the following are added to **SECTION III. LIMITS OF INSURANCE AND DEDUCTIBLE:**

11. Subject to 2. above, the Insured Property Pollution Liability Limit - Each Loss Limit is the most we will pay under Coverage F in excess of the Deductible amounts stated in Item 4 of the Declarations, for all **loss** because of **bodily injury, property damage or clean-up costs** arising out of the same, related, or continuous **pollution conditions**. If a **claim** for **bodily injury, property damage, or clean-up costs** is first made against the insured and reported to us during the **policy period** in accordance with Section IV.3A. of this Policy, all **claims** for **bodily injury, property damage or clean-up costs** arising from the same, related or continuous **pollution conditions** which are first made against the insured and reported under a subsequent Pollution Legal Liability policy or coverage issued by us or our affiliate providing substantially the same coverage as this Policy, shall be deemed to have been first made against the insured and reported to us during this **policy period**.

Coverage under this Policy for such subsequent **claims** shall not apply, however, unless at the time such **claims** are first made and reported, the insured has maintained with us or our affiliate Pollution Legal Liability coverage substantially the same as this coverage on a continuous, uninterrupted basis since the first such **claim** was made against the insured and reported to us.

12. Subject to 2. and 11. above, the most we will pay for **bodily injury, property damage, clean-up costs or loss** associated or in connection with **microbial matter** is \$25,000 regardless of the number of **pollution conditions, claims** or claimants.
5. For purposes of the coverage provided by this endorsement only, **SECTION IV. CONDITIONS**, paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit**, sub-paragraph a. is replaced with the following:
- a. You must see to it that we are notified as soon as practicable in writing of an **occurrence, pollution condition**, offense or error or omission which may result in a **claim**. Notice should include:
 - (1) How, when and where the **occurrence, pollution condition**, offense or error or omission took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the **occurrence, pollution condition**, offense or error or omission.

Notice of an **occurrence, pollution condition**, offense, or act, error or omission is not notice of a **claim**.

6. For purposes of the coverage provided by this endorsement only, the following is added to **SECTION IV. CONDITIONS**, Paragraph 6., **Other Insurance:**

Applicable to Coverage F

Where other insurance may be available for **loss** covered under this Policy, you shall promptly upon our request provide us with copies of all such policies. If other valid and collectible insurance is available to you for **loss** covered by this Policy, our obligations are limited as follows:

ENDORSEMENT NO. 18 (Continued)

- a. This insurance is primary, and the Company's obligations are not affected unless any of the other insurance is also primary. In that case, the Company will share with all such other insurance by the method described in Paragraph c. below.
 - b. Solely with respect to any coverage provided by this policy for **bodily injury, property damage, clean-up costs or loss** arising out of or in connection with **microbial matter**, this insurance is excess of any other valid and collectible insurance. Where other insurance may be available for the **clean-up costs or loss** arising out of or in connection with **microbial matter**, you shall promptly, upon our request, provide us with copies of all such policies.
 - c. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.
7. For purposes of the coverage provided by this endorsement only, the following Coverage references shall include **Coverage F**:

**SECTION I - COVERAGES, INDEPENDENT COUNSEL - COVERAGES A, B AND D
SECTION V - EXTENDED REPORTING PERIOD**

8. For purposes of the coverage provided by this endorsement only, **SECTION VI. DEFINITIONS** is amended to include the following. Definitions that appear both below and in the Policy shall be deleted from the Policy and for the coverage provided by this endorsement the definitions below shall apply.

Bodily injury means physical injury, or sickness, disease, mental anguish or emotional distress, sustained by any person, including death resulting therefrom.

Claim means a written demand received by you seeking a remedy or alleging liability or responsibility on your part for **loss** under Coverage F.

Clean-up costs means reasonable and necessary expenses, including legal expenses incurred with our written consent which consent shall not be unreasonably withheld or delayed, for the investigation, removal, remediation including associated monitoring, or disposal of soil, surfacewater, groundwater or other contamination:

1. To the extent required by **environmental laws**; or
2. That have been actually incurred by the government or any political subdivision of the United States of America or any state thereof or Canada or any province thereof, or by third parties.

Clean-up costs also include **restoration costs**.

Environmental laws means any federal, state, provincial or local laws (including, but not limited to, statutes, rules, regulations, ordinances, guidance documents, and governmental, judicial or administrative orders and directives) that are applicable to **pollution conditions**.

Inception date means the first date set forth in Item 2 of the Declarations.

Insured contract means a contract or agreement submitted to and approved by the Company, and listed on an Endorsement to this Policy.

Insured property means each of the locations identified in Item 6 of the Declarations.

ENDORSEMENT NO. 18 (Continued)

Loss means:

1. Monetary awards or settlements of compensatory damages; where allowable by law, punitive, exemplary, or multiple damages; and civil fines, penalties, or assessments for **bodily injury or property damage**;
2. Costs, charges and expenses incurred in the defense, investigation or adjustment of **claims** for such compensatory damages or punitive, exemplary or multiple damages, and civil fines, penalties or assessments, or for **clean-up costs**; or
3. **Clean-up costs**.

Microbial matter means fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including but not limited to, mold, mildew and viruses, whether or not such **microbial matter** is living.

Policy period means the period set forth in Item 2 of the Declarations, or any shorter period arising as a result of:

1. Cancellation of this Policy; or
2. With respect to particular **insured property(s)** designated in the Declarations, the deletion of such location(s) from this Policy by the Company at the your written request, but solely with respect to that **insured property**.

Pollution conditions means the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment in the amounts and concentrations discovered. **Pollution conditions** shall include **microbial matter** in any structure on land and the atmosphere contained within that structure.

Property damage means:

1. Physical injury to or destruction of tangible property of parties other than the insured, including the resulting loss of use and diminution in value thereof. However, **property damage** shall not include diminution in value of tangible property of parties other than the insured that was at any time leased, rented, occupied or loaned to the insured;
2. Loss of use, but not diminution in value, of tangible property of parties other than the insured that has not been physically injured or destroyed;
3. **Natural resource damage**.

Property damage does not include **clean-up costs**.

Restoration costs means reasonable and necessary costs incurred by you with our written consent, which consent shall not be unreasonably withheld or delayed, to repair, replace or restore real or personal property to substantially the same condition it was in prior to being damaged during work performed in the course of incurring **clean-up costs**. However, such **restoration costs** shall not exceed the net present value of such property prior to incurring **clean-up costs**. **Restoration costs** do not include costs associated with improvements or betterments.

ENDORSEMENT NO. 18 (Continued)

Responsible Insured means you, if you are designated as an individual in the Declarations. If you are designated in the Declarations as a partnership, joint venture or any other organization, **responsible insured** means your manager or supervisor responsible for environmental affairs, control or compliance, any manager of the **insured property**, or any your officers, directors or partners.

Underground storage tank means any tank that has at least ten (10) percent of its volume below ground in existence at the **inception date**, or installed thereafter, including associated underground piping connected to the tank.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 19

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED / PRIMARY COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY AND
PROFESSIONAL LIABILITY POLICY**

In consideration of an additional premium of \$INCLUDED it is hereby agreed that the following is included as an Additional Insured as respects Coverage A and B but only as respects liability arising out of **your work** for the Additional Insured by or for you.

Additional Insured:

Blanket as Required by Written Contract or Agreement

This does not apply to **bodily injury** or **property damage** arising out of the sole negligence or willful misconduct of, or for defects in design furnished by, the Additional Insured.

As respects the coverage afforded the Additional Insured, this insurance is primary and non-contributory, and our obligations are not affected by any other insurance carried by such Additional Insured whether primary, excess, contingent, or on any other basis.

This endorsement does not increase the Company's limits of liability as specified in the Declarations of this policy.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT No. 20

This endorsement, effective 12:01 AM: September 23, 2010

Forms a part of policy no.: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES - CONDITIONS
REQUIRING NOTICE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

With regard to Bodily Injury and Property Damage Liability, unless we are prejudiced by the insured's or your failure to comply with the requirement, any provision of this Coverage Part requiring you or any insured to give notice of "**occurrence**", claim or "**suit**", or forward demands, notices, summonses or legal papers in connection with a claim or "**suit**" will not bar coverage under this Coverage Part.



**Authorized Representative
or countersignature (where required by law)**

ENDORSEMENT NO. 21

This endorsement, effective 12:01 AM, September 23, 2010

Forms a part of Policy No: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF SUBROGATION - SPECIFIC PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND PROFESSIONAL LIABILITY POLICY

SCHEDULE

Name of Person or Organization:

Blanket as required by Written Contract or Agreement

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

It is hereby agreed that **SECTION IV, Conditions**, paragraph **9. Subrogation** is amended to include the following:

We agree to waive this right of subrogation against the person or organization shown in the Schedule above to the extent that you had, prior to an **occurrence** or **claim**, a written agreement to waive such rights.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 22

This endorsement, effective 12:01 AM: September 23, 2010

Forms a part of policy no.: PROP 12427439

Issued to: EFFECTIVE ENVIRONMENTAL, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF DISPOSAL SITE EXCLUSIONS COVERAGE A - POLLUTION LIABILITY
ENDORSEMENT # 78121, NON-OWNED DISPOSAL SITE SCHEDULE INCLUDES**

Name of Site

American Environmental Landfill, Inc, Sand Springs, OK 74063
Ash Grove Cement Co., Foreman, AR 71836
Ash Grove Cement Co. (Chanute0, Chanute, KS 66720
Atlas Scarp, Dallas, TX
Bealine Environmental Services, Inc., Pasadena, TX 77507
Bulldog Tire Recycling, Cleveland, TX 77327
Burbank Barrel, Galena Park, TX 77547
Certified Recycling, Wills Point, TX 75169
CFF Recycling, Santa Fe, TX 77510
CFF Recycling-Wallisville Rd., Houston, TX 77020
CFF Recycling-Wharf St., Houston, TX 77012
Clean Harbors-Colfax, Colfax, LA 714174
Clean Harbors-Deer Park, La Porte, TX
Clean Harbors-El Dorado, El Dorado, AR
Clean Harbors La Porte LP, La Porte, TX 77571
Clean Harbors Lone Mountain, Waynoka, TX 73860
Covanta WBH, LLC, Tulsa, OK 74107
East Texas Waste Management, Tyler, TX 75701
ECS Refining-Electronics Recycle, Terrell, TX 75160
ECS Refining Texas LLC-Terrell, Terrell, TX 75160-6567
Envirosolve, Inc., Tulsa, OK 74107
FCC Environmental-Corsicana, Corsicana, TX 75109
Geocycle US, Midlothian, TX 76065
Geocycle LLC-Artesia, Artesia, MS 39736
Green Choice Organics, Hutchins, TX 75141
HPP Corporation, Houston, TX 77034
Interstate Batteries of Dallas, Dallas, TX 75238
Itasca Landfill TX, Itasca, TX

ENDORSEMENT NO. 22 (Continued)

Lamp Environmental Industries, Hammond, LA 70401
Lamp Environmental Industries-Independence, Independence, LA 70443
Liquid Environmental Solutions, Houston, TX 77013
Newpark Industrial Disposal, LP, Winnie, TX 77665
Pollution Control Industries, Millington, TN 38053
PSC, Dallas, TX 75212
Rhodia, Inc., Houston, TX 77012
Rineco Chemical, Benton, AR
Safety-Kleen Systems, Inc., Denton, TX 76208
Silver Creek Materials, Fort Worth, TX 76108
Systech Environmental Corporation, Fredonia, KS 66736
US Ecology Texas, Robstown, TX 78380
Waste Connections-Seabreeze Environmental Landfill, Angleton, TX 77516

All other terms, conditions and exclusions remain the same.



Authorized Representative
or countersignature (where required by law)